

The NATIONAL UNDERWRITER

30¢ a copy
\$7.50 a year

—The National Weekly Newspaper of Life and A&S Insurance—

Second class postage paid at Chicago.
Published weekly (with two extra issues in September) at 175 W. Jackson Blvd., Chicago 4, Illinois.

November 11, 1961
65th Year, No. 45

O'Connor Editorial Director Of National Underwriter Co.

James C. O'Connor, secretary of the National Underwriter Co. and veteran executive editor in the fire and casualty insurance field, has been appointed editorial director of the publishing company. He is relinquishing his direct editorial duties and will have general supervision over all editorial matters. In his new position he will assume responsibilities formerly handled by President John Z. Hershchede.

The new editorial director is well known to fire and casualty insurance men, having for the past 28 years been editor of the "Fire, Casualty & Surety Bulletins," a loose leaf monthly service which enjoys the same stature in its field as the "Diamond Life Bulletins" in the life insurance field. Born in Jo-



J. C. O'Connor

liet, Ill., in 1906, he joined the National Underwriter Co. late in 1933 after graduating from Loyola University of Chicago in arts and law, being admitted to the Illinois bar in 1932 and, while a law student, acquiring experience in both the insurance and the publishing fields. He was in the Chicago office until 1947, during which time he was also an associate editor of both editions of THE NATIONAL UNDERWRITER. He then went to the home office in Cincinnati, became executive editor of fire, casualty and surety publications in 1950 and was elected secretary of the company in 1959. He has taught insurance at the University of Cincinnati and spoken at many fire and casualty insurance meetings. He is a member of the committee on general insurance terminology of American Risk & Insurance Assn. (formerly American Assn. of University Teachers of Insurance).

Robert B. Mitchell continues as executive editor of THE NATIONAL UNDERWRITER, the operations of which are unchanged.

Plan Consolidation Of Ohio State Life And Columbus Mutual

A program to consolidate Ohio State Life and Columbus Mutual Life has been reinstated. It would result in a single company of about \$1.25 billion of insurance in force and an agency force of 1,500 operating in 22 states. Ohio State Life owns 99.5% of the 5,000 shares of Columbus Mutual stock. A previous program for consolidation was blocked in the courts about two years ago by a group of Columbus Mutual policyholders. These same policyholders, led by Ray A. Clark of Indianapolis, have brought a civil action in federal court at Columbus to get the present consolidation plan under way.

Federal Judge M. G. Underwood at Columbus has stated he will set up a hearing date soon on the action of policyholders of Columbus Mutual.

Mr. Clark's suit describes a plan which he says has been presented to Ohio State Life by an actuary (Bowles, Andrews & Towne) hired by Ohio

(CONTINUED ON PAGE 25)

Huey Calls For Proper Perspective At LIAMA Annual

Skinner Asks Companies' Support Of LIAMA's Work Abroad; 1,000-Plus On Hand

The problems and the progress of the agency system must be put in their proper perspective, otherwise there is a danger that "in our zeal to be honest with ourselves we can become so introspective that we lose the true perspective of where we are and what we have accomplished," said Burkett W. Huey, LIAMA's managing director, in his keynote address at the association's annual meeting at Chicago.

"Is it actually the problems as such that are our real concern, or is what they imply?" he asked. "Life insurance has always been a growth industry. Have we stopped growing? Are we too obsessed by growth as a status symbol? It would seem natural that every company, no matter how conservative, believes in growth, and plans and thinks of the future in terms of growth."

As colorful as ever, as session-packed as ever, this 44th annual meeting had the distinction of an attendance that bulged over the 1,000 mark for the first time. And there was one other "first"—the Edgewater Beach Hotel's huge new ballroom was being utilized for the first time by any convention; a situation that led to some humorous asides by various convention speakers.

Although the new officers of the association were not known at press time, the four new directors are Lynn Ten-

(CONTINUED ON PAGE 21)

Executive Staff Of Franklin Life Is Realigned

Realignment of the executive staff of Franklin Life has been announced



C. E. Becker



F. J. Budinger

by President Chas. E. Becker. Effective Nov. 14, Executive Vice-president



G. E. Hatmaker



C. E. Becker, Jr.

Francis J. Budinger will be the new president; George E. Hatmaker, vice-president and secretary, will be elevated to executive vice-president; and Vice-president Chas. Becker Jr., will become first vice-president. Vice-president Francis J. O'Brien will occupy the position of vice-president and

(CONTINUED ON PAGE 19)

AALU Head Stresses Willingness To Cooperate With Other Groups

By ROBERT B. MITCHELL

NEW YORK—Though Assn. for Advanced Life Underwriting originally grew out of a difference with NALU over financed insurance and its right to the interest deduction, AALU's willingness to cooperate with NALU and other life insurance organizations was emphasized by AALU President Harold Franklin, Canada Life manager at Cleveland, in his address at the AALU regional seminar here.

"There is no conflict between AALU and any of the other organizations in the alphabet soup that make up the various life insurance associations," he said. "We fully recognize that we are too small in number to carry out or assume for ourselves the tasks that must be undertaken by others. We fully recognize that our industry has problems and we are willing to contribute our time and our talents to help solve them—alone if necessary, but preferably in cooperation with other groups that have the same interests. We will not always agree—but that is to be expected. . . .

"Certainly the future of the life insurance agent is secure and bright. But dark storm clouds linger on the horizon. Twisting and replacement get today's biggest headlines—but they are not our biggest or only problem. Destined to become a bigger problem is the development and extension of a

buyer's market. We see it now in the growth of discount houses, in the retail revolution that is pushing the little fellow against the wall because he can't sell at a competitive price and still pay his expenses.

"We can bring the same thing upon ourselves. Every major product development instituted by the life com-

(CONTINUED ON PAGE 18)



Participating in a three-day conference on American population trends, sponsored jointly by Institute of Life Insurance and Columbia University's Graduate School of Business, were from left, John R. Everett, chancellor of City University of New York; Frederic W. Ecker, chairman of Metropolitan Life; Holgar J. Johnson, president of Institute of Life Insurance; Walter O. Menge, chairman of Lincoln National Life and chairman of Institute of Life Insurance, and Courtney C. Brown, dean of the graduate school of business of Columbia University. Sociologists and economists from 31 colleges and officials of 19 life insurance companies attended the meetings at the Arden House, Harriman, N. Y.

Plan For Pooling Insurers' Funds In Atomic Disaster Stirs Concern

NEW YORK—Recent daily paper stories about government plans for taking over life company assets in the event of a major atomic bombing disaster and paying out claims according to the government's discretion have stirred considerable concern among life insurance field men, a number of whom are disturbed about the proposal's negative impact on sales. They also regard it as a needlessly arbitrary invasion of private industry.

One of them, Charles J. Buesing, manager here for Mutual of New York, believes strongly that the life companies should, by joint action, make provisions for sharing losses in the event of atomic disaster so as to spread the risk among all life insurers, thereby evening things up between those companies whose assets were destroyed and those that got off unscathed or relatively so.

Cites Negative Effect

Mr. Buesing also feels that it is unfortunate that the government has put forward its plan at this time, because it will give a lot of prospects the idea that in the event of atomic warfare the life companies will be pretty much destroyed, while the policyholders will not only be killed but also the beneficiaries for whom they would buy life insurance protection.

"It just gives the self-centered jerk another excuse for brushing off the life insurance agent," Mr. Buesing observed.

Another point that causes Mr. Buesing concern is the apparent inconsistency between the treatment of owners of insurance policies and the owners of stocks and other investments. Stocks and the like, according to the proposal, might be exchanged for government certificates that would be convertible

into cash, but not until some lengthy period, such as 10 or 20 years, after the end of hostilities. The aim of this procedure is to prevent a rush to cash in securities, with consequent danger to the nation's financial structure.

Life insurance, on the other hand, would be somewhat subject to a robbery-to-pay-Paul system. Instead of being subject to claims in the usual way, the life companies would be brought into "an unprecedented national policy of loss sharing." By this means the government would undertake to pay, eventually, the insured losses of individuals and corporations—maybe even victims' next of kin where no insurance existed. This is what particularly arouses life insurance field men.

Payments made in this manner, however, would not be what the policy face called for but would be proportioned according to what the government thought the nation could afford. Another thing that disturbs life insurance people is that the government's

(CONTINUED ON PAGE 22)



Charles J. Buesing

McNAB AT LIAMA ANNUAL:

U.S.-Canada Agency System Has Strong Support Overseas

The strongest believers in the North American method of merchandising life insurance are people outside of the continent, K. G. McNab, vice-president and chief agency officer of Manufacturers Life, told his audience at the annual meeting of LIAMA in Chicago. Mr. McNab described Manufacturers' overseas operations.

"They have seen its superiority in direct comparison with other methods. Now we have second and third generation believers selling a new crop of potential life insurance men the gospel of sound life insurance service through well trained specialists."

Although some adaptions have been

necessary because of the different psychology and customs of the people, deviations have been slight because of the fundamental desire in all people to protect their families and the vital role of the salesman in motivating people to action. The Manufacturers' approach in entering new countries has been based on the twin objectives of quality business and competent life producers, he said.

Mr. McNab explained that the training material and methods used in agency development outside of North America have been similar to that in Canada and the U.S. The company's basic training course and the advanced business course are being used abroad. Many of their men have earned CLU designations.

"Our people abroad have shown at least an equal interest with those at home in the professional aspects of life underwriting and in their endeavor to make themselves technically proficient."

To follow the pattern set by agency management in North America when entering other countries has been perhaps more difficult than conforming to local customs, Mr. McNab reported, but the results have proved effective.

The Hard Way

"By doing it the hard way, we not only attracted the type of men we wanted but engendered in them a feeling of loyalty and teamwork, the consciousness of greater prestige and of personal reward for a job well done."

Other companies use various systems of merchandising in overseas territories, he pointed out, adding, "Some use salaried men who derive most of their business from part time agents and brokers. Others use full time men with small salaries, large first-year commissions but no renewals. Still others have a first-year commission and renewals. In addition there are a number of composite offices selling both life and casualty.

"In the United Kingdom, there are three domestic outlets for life insurance—combination companies, most of whom sell casualty as well, composite offices which are mainly general insurance companies with a life section, and the purely life offices. There are companies with no agents."

However, Mr. McNab said, "Many of the major British companies work abroad and I have noted that when they do they tend to use a system similar to ours."

He said he was not disparaging companies which use these other methods, that many of these systems are quite efficient and have produced good results.

"What has been wanting, however, in most of these systems is a higher level of life insurance counsel at the point of purchase and, as a derivative, the failure of the business to attract high quality representatives in the same numbers."

Mr. McNab suggested that life insurance men in North America might take a fresh look at the achievements of the agency system here.

"There is pessimism in some quarters here about our agency system," he said. "I have no quarrel with constructive change but pessimism is another thing. The growing interest of life insurance people outside this continent in the results we have achieved and the system we use indicates their appreciation of its value."

"There may be cheaper ways of getting business, though I doubt it. There certainly are easier ways, but there is no better way!"

Change In Dates For NALU 1962 Annual; Will Be Sept. 16-21

WASHINGTON—The 1962 annual convention of NALU will be held at the Conrad Hilton Hotel, Chicago, Sept. 16-21 and not the Aug. 26-31 dates announced several years ago when Chicago was picked as the site for the 1962 annual meeting.

The mid-September timing is more consistent with NALU's usual convention dates.

"We believe this change in convention dates will add to the ease and convenience of those in attendance, will minimize competition with other important insurance conventions and enable convention goers to enjoy Chicago's fine September weather," said NALU President R. L. McMillon in announcing the change in dates.

Mo. Superintendent Leggett Resigns

C. Lawrence Leggett, Missouri superintendent since Nov. 25, 1949, is ending his career in that position. There are strong political overtones to the situation, and the Missouri newspapers played the story with a did he jump or was he pushed aspect, not making clear whether Mr. Leggett resigned or was asked to resign.

The fact that Mr. Leggett opposed a prior approval rate bill for fire insurance in Missouri is a definite factor in the situation.

Past President Of NAIC

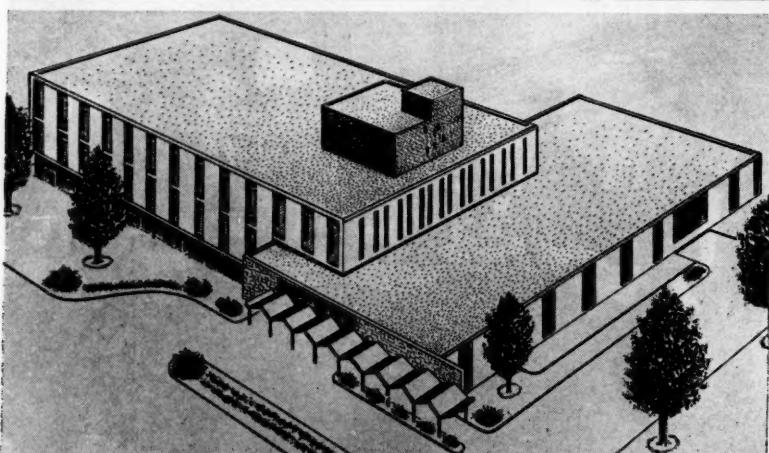
Mr. Leggett, now 65, is a past president of National Assn. of Insurance Commissioners, and has served under four governors. He has been an employee of the state of Missouri since 1933 when he started with the state auditor's office. He transferred to the insurance department as a senior examiner in 1937 and held that position until he was appointed superintendent in 1949. He has the longevity record as Missouri superintendent, four years more than the late Ben C. Hyde.

Mr. Leggett's opposition to no prior approval fire rate regulation in Missouri is one of the chief reasons the bill failed of passage in the last session. The governor is quoted in the Missouri papers as wanting a "stronger man." Mr. Leggett, who was not re-appointed when Gov. Dalton was elected, had an application in for re-appointment. However, last week a St. Louis paper quoted the governor to the effect that he understood Mr. Leggett intended to resign. Mr. Leggett therefore did resign.

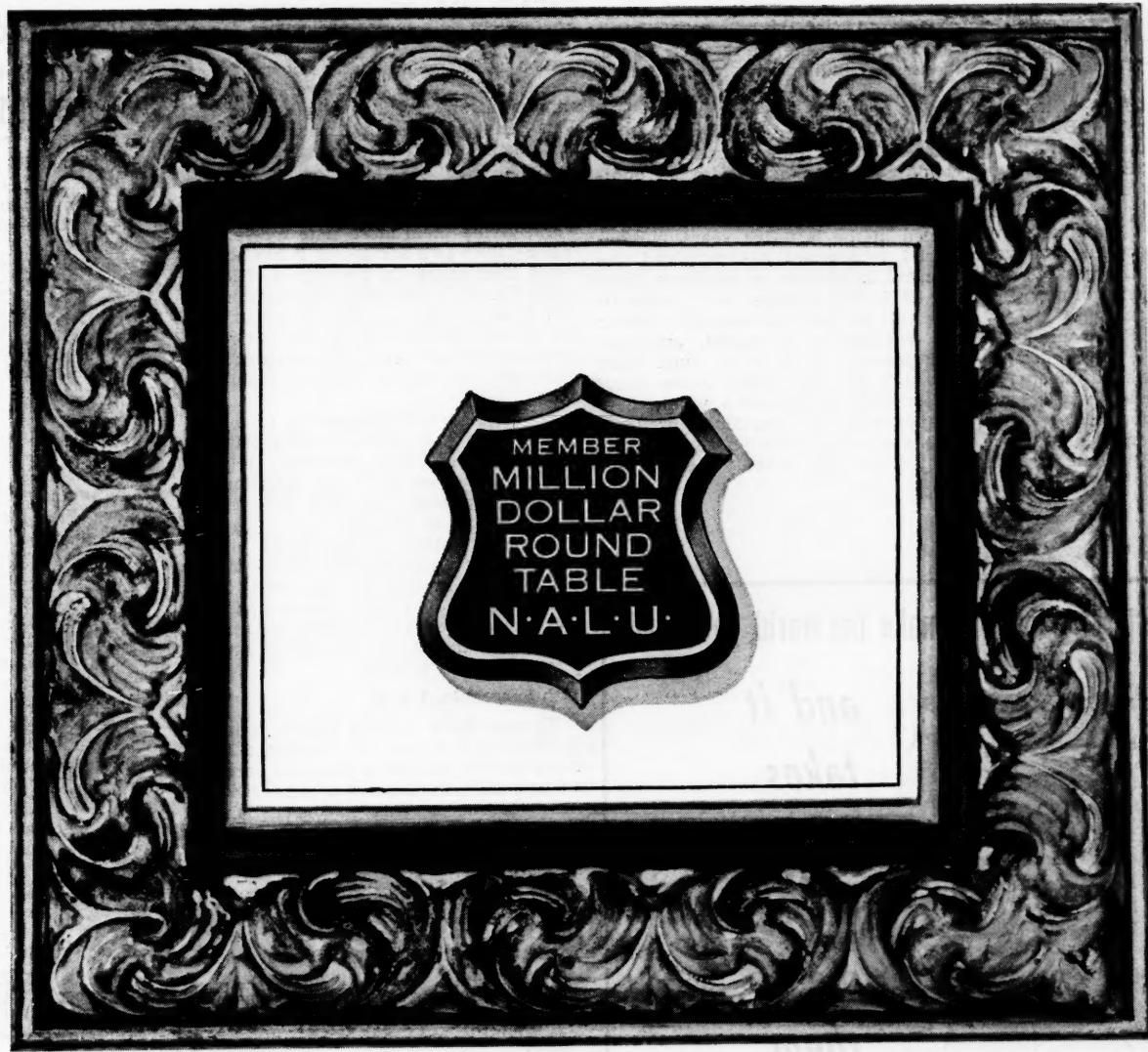
G. D. Young Is New Mo. Superintendent

George D. Young, 31, assistant secretary-treasurer Transit Casualty, has been appointed Missouri superintendent of insurance, effective Nov. 15. He will succeed C. Lawrence Leggett, who resigned although he was a candidate for reappointment.

Mr. Young served two terms in the Missouri house (1954-58), in the second term serving as chairman of the committee on universities. He graduated at the University of Missouri in 1950 and received his master's at Cornell in 1951. Prior to joining Transit Casualty in 1959 he had been engaged in farming.



Situated in the south Topeka area is National Reserve Life's new regional office building. Occupying approximately a seven acre tract, and constructed of native limestone, the building provides in excess of 69,000 square feet of space. One of the special features is the use of solar tile and glare reducing glass on the north and south sides. All principal executive offices will be located on the first floor, with IBM equipment in a specially designed room. A highlight of the main lobby is a large bas-relief of the Mount Rushmore Memorial, created by Lincoln Borglum, the son of Gutzon Borglum who created the original Mount Rushmore Memorial. Other features include a library, cafeteria, movable wall partitions, and a 15,000 square foot area reserved for future expansion requirements.



NYLIC Agents again first in membership at the 1961 Million Dollar Round Table!

For the seventh consecutive year, New York Life leads all other companies in the number of agents receiving this coveted industry honor.

Once again, New York Life sets the pace! At the 1961 Million Dollar Round Table 307 of the Company's agents earned places. It's a privilege to extend our heartiest congratulations to every one of our life underwriters who won this high honor.

We think this outstanding record reflects a number of vitally interesting and important things—the tal-

ents, sincerity and friendliness of our agents, the popularity of New York Life's modern policies and the effectiveness of the NYLIC Advanced Training Program. Foremost of all, it clearly demonstrates our claim that "The New York Life agent is both a good man to know—and a good man to be!"

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*CONGRATULATIONS—to the General Agents and Managers Conference
on 10 years of service to the Life Insurance Industry.*

Versatility, Flexibility Boosted By Using New Electronic Computer

By H. C. UNRUH

Vice-president and Chief Actuary
Provident Life & Accident

Greater versatility and flexibility in operations are being experienced by

Provident Life & Accident through the use of its solid state IBM 7070 computer.

Such improvement is being demonstrated in its administrative procedures as well as in research and design of new products.

For example, in the highly competitive group insurance field, where the experience can fluctuate widely and suddenly, we get information sooner and can spot danger signals more promptly. By obtaining updated figures



H. C. Unruh

monthly it is possible to detect an adverse trend in a particular account early enough to take corrective action on the next renewal date.

Also, a short while ago we were faced with revising the rates on several thousand individual hospitalization policies. With the aid of a computer such a revision of a complicated rate schedule can be done very quickly, whereas on a manual basis the job would require months with an additional staff.

Although the work load has virtually tripled in the last five years, our actuarial department has remained unchanged in number of employees. Now the IBM 7070 enables us to make almost all of our calculations without the drudgery of a manual operation and permits us to do a much more thorough job. The latter comes about by permitting us to take a wide variety of approaches to a particular problem. This was not possible before under the manual system, due to the sheer

weight of the amount of calculation involved.

Mortality, Persistency Data, Too

Policy valuations for annual statement purposes are calculated by the computer from basic actuarial functions. And as by-products, we obtain mortality and persistency statistics. These were both major projects in the past.

As a result, we obviously know more about the business than ever before, eliminating much educated guesswork. This helps determine trends sooner and enables us to do something about them.

The computer has relieved our general agents of a good portion of detail work, giving them more time for selling. By their own admission, it has also saved them money in the way of office help. The 7070 calculates commissions and does all the commission accounting. It also keeps track of production, terminations and calculates persistency rates for the agency and individual agent.

At the time of change-over to our new system we received some criticism from the field. However, it is interesting to see how the objections have disappeared now that the new system is a going concern.

The acceptance of new ideas and methods has contributed to Provident's phenomenal growth in the past 20 years. Founded in 1887, the company was one of the first to write accident and health insurance, and group hospitalization and surgical.

12th Largest In A & S

We now have over \$3 billion in individual and group life insurance in force and \$84 million in premium earned annually from accident and sickness insurance. This makes us the twelfth largest life insurance company in the country doing accident and sickness business.

Yet, in 1950 only three-quarters of a billion in life insurance was in force, and 10 years earlier, less than one-sixth of a billion. Our A & S insurance business shows similar upward trends. In 1950, premiums earned totaled nearly \$30 million, while in 1940 the figure was slightly less than \$8 million.

Such rapid expansion was not without headaches. Provident is actually a collection of four separate operations: ordinary life, group, A & S and franchise. Each is headed by a senior vice-president who operates his unit separately under varying administrative procedures.

Procedures Standardized

Obviously, a decentralized, growing company may be headed for trouble in administrative costs unless some standardization of procedures is instituted to keep costs down.

Also, in 1955, when the problem was being studied, jobs were plentiful and personnel turnover was high. Furthermore, growth was making the business more complex and supervisors had difficulty in training new employees to keep up with the day-to-day work.

In short, we were ready for expanded data processing. So, we went from conventional punched-card equipment to an IBM 650 computer system and, more recently, to the advanced solid state IBM 7070.

Currently, all our business is being handled by the new computer, although not all of it has been converted to magnetic tapes. By the end of the year, we hope to be completely converted.

This means that our computer will be doing premium billing, premium and commission accounting, policy loan accounting, experience statements

ledger accounting, payroll and mortgage ledger accounting.

We at Provident are pleased that we have committed ourselves to our new computer program, and feel we are only beginning to see the advantages that it has for us.

Bankers L.&C. Rider Converts Basic A&S To Major Medical

Bankers Life & Casualty of Chicago is making available to present policyholders and prospective policyholders a rider to convert the company's basic hospital-surgical policy into a major medical plan.

The plan, which was introduced by President John D. MacArthur at the company's November sales seminar, has no deductible, nor is there a "corridor" of personal expense to be borne by the policyholder—as is usual when insured has both a basic and major medical policy.

To be eligible for the new coverage, policyholders must have, or be upgraded to, at least a \$15 daily room rate benefit under the hospital-surgical policy. With this floor of protection, the extended limits endorsement boosts coverage to a maximum of \$5,000.

When a person is stricken by catastrophic accident or illness, the hospital-surgical policy pays its maximum. Then the extended coverage rider steps in and covers 75% of the additional charges—up to \$5,000.

Under the terms of the program, each member of the family is eligible for the \$5,000 maximum for each sickness or accident. A similar rider is available to extend benefits on the company's medical expense and miscellaneous benefits policy. Maximum of this additional protection is \$2,500. The company pays 75% and the individual 25% over what is paid for and covered in the original policy.



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- Guaranteed Renewable
- Hospital Expense
- Impaired Risk
- Income Replacement
- In-Hospital Income
- Key Man
- Major Hospital
- Major Medical
- Overage Policies
- Rent Replacement
- Special Risks
- Travel
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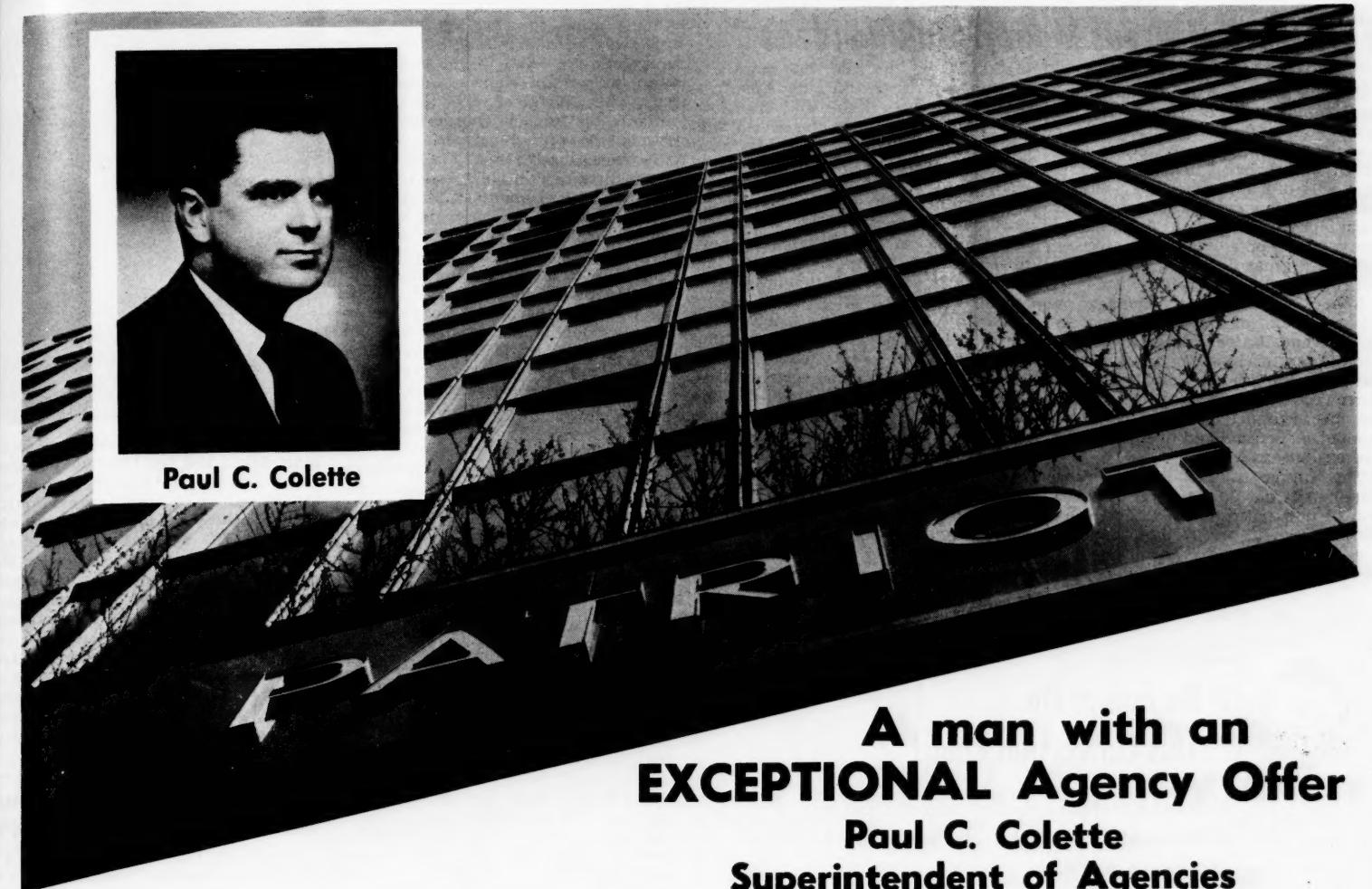
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Connecticut**

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✓ **QUADRUPLE PROTECTION PLAN**—3 parts term, 1 part whole life paid up at age 65—in one amazing low-cost package.

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✓ **UNLIMITED** Decreasing or level term rider amounts on permanent or term base policies.

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Call or write Adam B. Peters, Group Manager, for full information about your Group Business.

Court Decision Clear: Conn. General Can Now Buy Fire Company, Anderson Says

Connecticut General's right to buy a fire and casualty company cannot be taken away by the New York state legislature "unless at the same time fire and casualty companies doing business in New York are denied the right to own life affiliates and the other life insurance companies are denied the right to own fire and casualty affiliates."

This interpretation was put on the New York appeals court's decision by Buist M. Anderson, vice-president and counsel of Connecticut General Life, at a hearing before New York's joint legislative committee on insurance rates and regulation.

Mr. Anderson added that it was unthinkable that an attempt would be made at this time to unscramble other affiliations.

"This would be a most destructive course and would result in the fragmentation of the insurance business with separate companies established to do business only in New York," he said. "In the process New York would lose much of its present regulatory power."

"As indicated, it is not within the constitutional power of New York to 'grandfather' in perpetuity the existing situations. Neither is it practical to attempt to unscramble existing situations. The sensible course would seem to be to make no changes with respect to the rights as to subsidiaries of foreign life insurance companies and of domestic and foreign fire and casualty insurance companies."

Applies Only To Handful

Mr. Anderson pointed out that the court's decision could apply directly only to a small handful of companies. The insurance department has not received the anticipated rush of application, he said.

"Connecticut General has fought its long battle largely on the basis of competitive equality," Mr. Anderson said. "Our company would be the last to say that you should not grant our competitors, the New York-chartered life insurance companies—mutual and stock—the right to establish or acquire fire and casualty subsidiaries."

Mr. Anderson said that he had never heard it suggested that life insurance companies were opposed to the acquisition by the fire and casualty companies.

Personally, I hope that the fire and casualty companies do not, for purely selfish and competitive reasons, oppose the acquisition by life insurance companies of fire and casualty affiliates," he said.

Mr. Anderson denied that his company is intent on destroying state supervision of insurance. At the same time he renewed his objection to the

Maine Fidelity Promotes Higgins, Radville To V-Ps

Maine Fidelity Life has promoted Leslie A. Higgins from acting sales manager to vice-president and sales manager, and I. J. Radville from regional superintendent of agencies in Connecticut to regional vice-president with headquarters at Hartford.

Mr. Higgins joined the company in 1943 and had been successively administrative assistant, agency coordinator and assistant secretary. Mr. Radville joined the company as a general agent at Hartford and was raised to regional superintendent in 1960.

New York department's use of extraterritorial control in matters "not reasonably related to the protection of New York policyholders."

"We believe that the policyholders of the country will best be served by the flexible type of insurance regulation of insurance, whether it be administered from Washington or from Albany."

During questioning by the committee after the reading of the text, Mr. Anderson said he felt that the appeals court decision had affirmed the right of Connecticut General to buy any subsidiary it wanted to, provided this was in the interest of policyholders and stockholders. He did not feel that additional legislation is necessary to clarify that right. Both he and Henry R. Roberts, president of the company, have told THE NATIONAL UNDERWRITER that Connecticut General is continuing to look for a favorable investment in the fire and casualty field.

NW Mut. Life Has Best Month

Northwestern Mutual Life had an all-time high of \$71,238,512 in September sales, beating the previous record of 1960. According to Robert E. Templin, director of agencies, the month's total has particular significance because 1961 sales have been down slightly from 1960, the highest year in the company's history. Since about 16% of the company's sales is in business insurance, Mr. Templin believes the September high may indicate an upswing in business generally.

We're all of ONE MIND

at Republic National Life...

... on the Subject of Offering Every Possible Sales Assistance to Our

FIELDMEN,

GENERAL AGENTS

and

BROKERS.

In Fact.

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Now the 35th Largest Company in Amount of Life Insurance in Force and 38th in Accident and Sickness Premiums

Also 26th in Amount of Group Insurance in Force Among More Than 1400 Life Insurance Companies

Home Life Of New York Dividend Scale Boosted 11% Over Current Rate

Home Life of New York, for the second consecutive year, has increased its dividend scale for ordinary policies, this time boosting the rate an average of some 11% over the current scale. The increase, the third in six years, will apply to dividends payable during the first three months of 1962.

The higher dividend scale, coupled with the larger amounts of insurance

in force, will result in a total 1962 dividend distribution of an estimated \$8½ million, a 16% greater distribution than the 1961 appointment.

Home Life has also increased from 3½% to 3¾% the interest rate allowed on accumulated dividends, policy proceeds left at interest and installment settlements involving interest only. There will be no change in the interest rates on life income settlements.

United Fidelity Life has been admitted in Arkansas.

Mortgagor Forecloses On Lefferdink's Home Office Building

The nine-story Colorado Credit Life building at Boulder is to be sold at public auction Dec. 9. Once the headquarters of the Allen J. Lefferdink empire of more than 40 insurance, finance, investment, etc., etc., etc., enterprises, the building is, or was, one of the last significant assets on the books of Colorado Credit Life, the license of which was turned in to the department

Nov. 6. Northwestern Mutual Life holds the first mortgage on the building. No payment of principal or interest had been received since May 1.

Lefferdink, who last week was indicted by a federal grand jury on charges of violating the SEC act, several months ago signed a contract with American Investors Life of Houston transferring most of Colorado Credit Life business to that company. It is understood American Investors holds the second mortgage on the Colorado Credit Life building.

Beery Issues Statement

Commissioner Sam Beery of Colorado issued a statement saying Colorado Credit Life policyholders are adequately protected. He added that "since the onset of his many difficulties, Mr. Lefferdink has struggled earnestly and hard to reestablish the financial position of the Colorado Credit Life Inc."

Mutual Benefit Continuing 1961 Dividend Scale; Will Distribute \$34 Million

Mutual Benefit Life in 1962 will continue its 1961 dividend scale for ordinary insurance. The company's 1962 dividend distribution has been estimated at \$34 million, some \$1 million more than the 1961 distribution.

The interest to be credited on certain policyholder and beneficiary accounts will also be continued at the same rates—3.5% on dividend accumulations and 3.65% on settlement options.

Provident Mutual Dividend Scale Continuing In 1962; Distribution Up \$617,000

The directors of Provident Mutual Life have voted to continue the present dividend scale on individual life and health insurance policies through 1962. The total dividend distribution in 1962 on all lines of insurance has been estimated at \$16,264,000, some \$617,000 more than the 1961 distribution.

Provident Mutual will also continue the interest rate on accumulated dividends and supplementary contracts at their present rate of 3.6%.

C. S. Ohsner Will Discuss Business Market Selling At N.Y.C. Agents Meeting

Clarence S. Ohsner, Columbus, O., life broker and president of Business Insurance Service Inc., will be the speaker at the educational meeting of New York City Life Underwriters Assn. in the east ballroom of the Hotel Commodore, Nov. 16.

The title of Mr. Ohsner's speech will be "Selling Business Insurance in Today's Market," in which he will discuss the approach, understanding the client's needs, using sales tools, answering objections and closing. A question and answer period will follow.

The meeting will begin at 2:45 p.m.

Flore At San Antonio CLU Conferment Program

Term insurance is a stop gap measure and should be replaced by cash value protection as soon as practicable, Herbert W. Floer, president American Society of CLU told members of the San Antonio chapter at its annual conferment meeting. Mr. Floer presented diplomas to Clinton L. Grell and Arch McNamara, new recipients of the CLU degree.



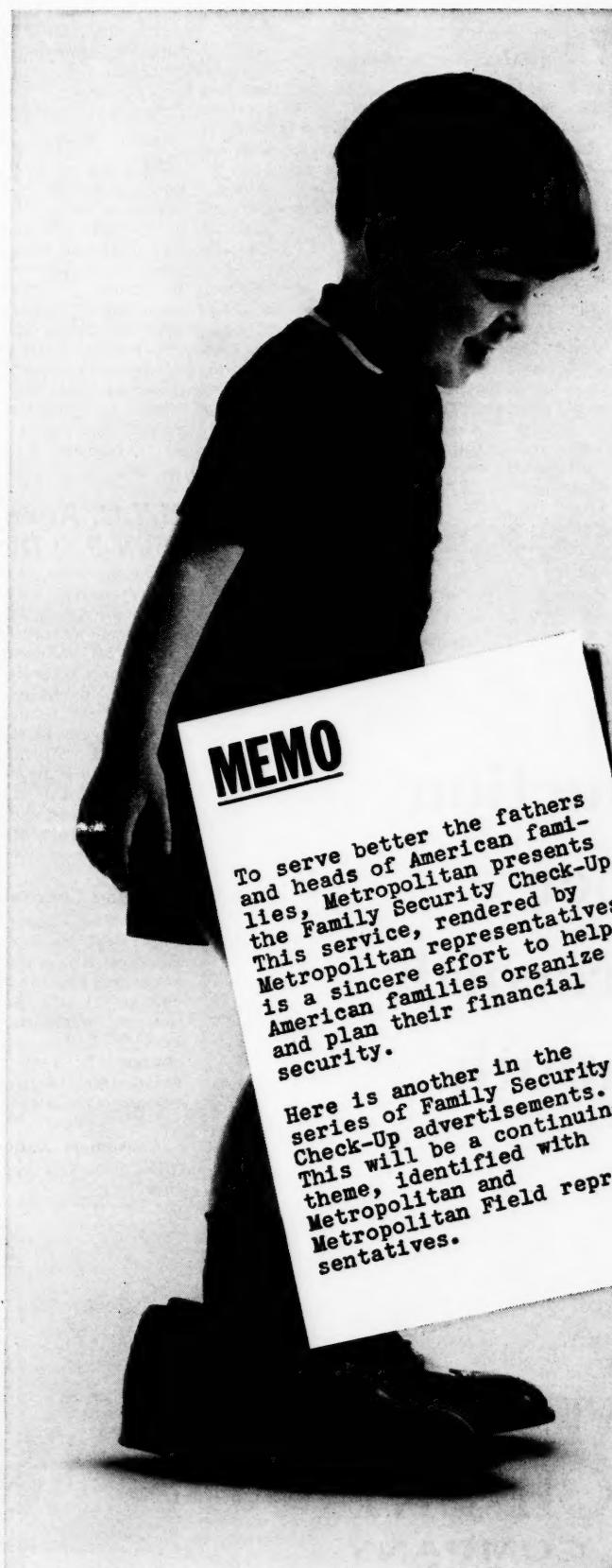
CML "asks for it"

... to give its men more sales power

At Connecticut Mutual Life, members of the Leaders' Sales Advisory Council and the General Agents' Advisory Committee meet separately each year on a regular schedule with top management. They are elected by their respective groups. Their purpose: to bring the fieldman's viewpoint on ways to increase sales and improve service.

They and management exchange ideas, discuss suggestions and recommendations. Result: better policies to sell, better ways to sell them, better service to back them up.

Connecticut Mutual Life
INSURANCE COMPANY • HARTFORD



It'll be a while before he can plan for himself. Meanwhile, you should get a

FAMILY SECURITY CHECK-UP

He lives in a world of make-believe. *You can't. You've got to plan for him until he fills the big shoes.*

To make sure your plans are realistic, start with a Family Security Check-Up. It will tell you—for your own and your family's sake—exactly where you stand on such things as pensions, savings, group insurance and Social Security.

When you know where you stand financially—you can make *realistic* plans for the future. *How can you possibly know unless you check?*

More than an interview—a service

Now Metropolitan, the Company you look to for authoritative information on physical health, offers you a way to check your family's financial health—the Family Security Check-Up. It is available to everyone—whether you need insurance or not—and whether or not you have a Metropolitan policy.

Metropolitan representatives have been trained in Metropolitan's own schools and are qualified by solid experience to bring you this service. They are equipped with business-like charts and tables that show you clearly, in black and white, exactly where you stand.

Call your Metropolitan man today for a Family Security Check-Up. There is no obligation—*except to those you love.*



WHAT IT IS AND WHAT IT DOES FOR YOU

With the help of your Metropolitan man—

1. **You check the facts:** your Social Security, your home, your life insurance, your pension plan, your savings and other assets. You may be surprised to learn how *much* you're worth.
2. **You weigh your responsibilities:** mortgage or rent payments, education, retirement, accident and sickness emergencies; how much it would cost your family to live without you.
3. **You learn where you stand.** You determine your weak and strong points . . . whether the provisions you have made for your family will do what you intend. You get the facts in front of you.

You plan for the future. Based on these facts, you decide what action, if any, may be needed to give you a family security plan, tailor-made to your own needs and ambitions—which makes good sense for you.

Metropolitan Life INSURANCE COMPANY

A MUTUAL COMPANY • Home Office—NEW YORK—Since 1868
Head Office—SAN FRANCISCO—Since 1901 • Head Office—OTTAWA—Since 1924
Over 1000 Local Offices in U.S.A. and Canada



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Hays Scores Merchandising Shift From Trained Agent To Product Advertising

The shift in emphasis from merchandising life insurance through the truly professional producer to a reliance on product advertising involves a concept which contributes to the undermining of field forces and in the end could result in a loss of public confidence in life insurance that has taken years to build, W. Eugene Hays, general agent of New England Life at Boston, warned in his speech at the annual meeting of LIAMA in Chicago.

In his talk, "The Agent's Role in the Agency System," Mr. Hays, recalling what it was like to be an agent 20, 15, even 10 years ago, said, "When most of us were learning to be life insurance practitioners, there was considerable emphasis put on the professional concept of life underwriting."

Thousands of agents were indoctrinated in this basic concept of their services, Mr. Hays said—to provide adequate family protection and financial security in a client's old age.

"If we liken the agent of that day to the M.D., the companies could be com-

pared to the 'ethical' drug manufacturers. They furnished the raw materials. The agent prescribed these in such quantities and forms as were necessary to make his 'patient' financially well.

"A radical change in this concept has taken place in recent years. The client-building concept seems to have become old fashioned, although, to their credit there are still a good many successful agents who refuse to be taken in by the new look which has come into life insurance distribution.

"The new packaged plans, many with company brand names, seem more readily merchandised and lend themselves to the kind of advertising which ad men understand. The advertising industry understands better how to advertise patent medicines than the less tangible appeal of the integrity of the company which distributes its products solely through professional practitioners.

"Product advertising lends itself to competitive pricing and we have had

an epidemic of ad campaigns which concentrate on discount for size, now an almost universal practice in our business.

"Product advertising lends itself to sales promotion and quick sales training. Here, hopefully, this new merchandising program might accomplish the objectives of producing new markets for this army of new agents which has been recruited.

Remains To Be Proven

"It remains to be proven that this method of merchandising will create more sales from broader markets. If we carry the process to its ultimate conclusion, however, the agent is relegated to a role which is scarcely better than that of the sales clerk behind the counter who wraps up the merchandise, rings up the sale and makes change."

Mr. Hays warned what happens when the merchandising emphasis shifts from salesman to advertising—"This forces the companies to turn out a new product at regular intervals or at least a new design of an existing product. This whole process brings with it a concept which contributes to undermining the moral fiber of the sales forces and could result eventually

in a loss of public confidence which has taken years to build.

"I refer to the concept of 'product obsolescence,' which is commonplace in those manufacturing industries where new model design is a part of the merchandising program and where trade-in of the owner's old model is a recognized part of the new sale. This leads to what is called 'planned obsolescence.' This practice of stimulating consumer demand for new models long before their automobiles or home appliances have worn out has come in for growing criticism.

Almost Always Loser

"Anyone who understands life insurance knows that the insured who trades in his existing life insurance for a new policy is most always the loser. But under increasing pressure to show production gains is it possible that the institution of life insurance will become the victim of the self-destructive practice of planned obsolescence? Is it reasonable to believe that the epidemic of twisting which has given us so much recent concern has been stimulated by the promotion of those new models and special features which are not permitted to be added to existing policies?"

N.Y.C. Agents Elect PR V-P, 3 Directors

The directors of New York City Life Underwriters Assn. have filled the vacancy existing in the office of public relations vice-president and three vacancies on the board.

Timothy W. Foley, State Mutual Life was elected public relations vice-president for the remainder of the administrative year, term expiring June, 1962. Richard E. Werner, Manhattan Life, was elected a director for a three-year term, and Roy R. Cobb, Mutual of New York, and Sidney L. Wolkenberg, Union Central Life, were elected directors for two year terms.

Planning Counselors Changes

Planning Counselors, a division of East West Management Services Inc., Beverly Hills, Cal., consultants and actuaries, has made several personnel changes. Victor Fuller has been appointed managing director and Robert P. Young account executive in charge of client relations. Frank J. Onstine has been appointed consulting actuary to the firm.

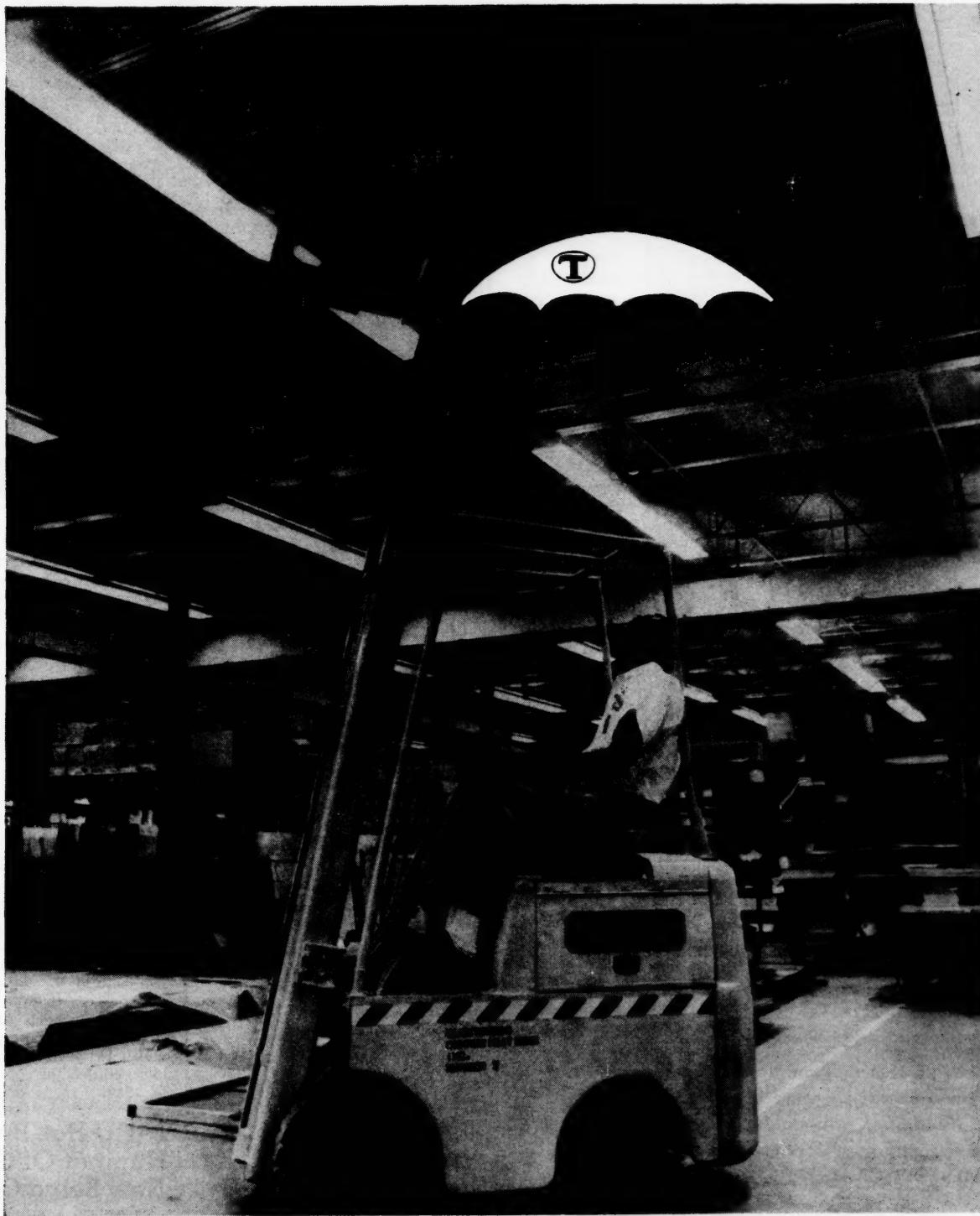
Consumers National Life of Evansville, Ind., has been admitted to Illinois.



Frank P. Samford Jr., president of Liberty National Life, right, congratulates his father, Frank P. Samford Sr., chairman, on the occasion of the latter's 40th anniversary with the company. Mr. Samford Sr. joined the company as secretary in 1921, later served 27 years as president until his election to the chairmanship in 1960.



THE
NATIONAL LIFE
AND ACCIDENT
INSURANCE COMPANY
HOME OFFICE - NASHVILLE, TENNESSEE



"Today The Travelers saved a life . . ." wrote Electronic Communications, Inc. of St. Petersburg, Fla. "We were lifting equipment by lift-truck to a high balcony . . . the load shifted . . . and a 200 lb. transformer would have struck our lift-truck operator if it hadn't been for the canopy guard we installed at the recommendation—and persistence—of the Safety Engineer from Travelers." The

Travelers has helped policyholders prevent industrial accidents since 1888. It's part of the service your clients can count on with Travelers Workmen's Compensation and Public Liability insurance. A *Travelers field man*—whose business is your business—will be glad to help you discover new accounts. Call him today.

THE TRAVELERS Insurance Companies HARTFORD 15, CONNECTICUT

Ala. Insurers Hear O'Leary Report On Life Investments

Life insurance investments, playing an important role in the economic growth of the United States, accounted for 23% of new loans made to business and industrial corporations from 1948 to 1960, 26% of the increase in commercial mortgage loans and 19% of the rise in home loans, according to James J. O'Leary, director of economic research of Life Insurance Assn. of America, speaking at the annual meeting of Assn. of Alabama Life Insurance Companies in Birmingham.

Also speaking on the same program were Edward F. O'Toole, president of O'Toole Associates, New York management consultant firm, and Charles E. Gaines, director of the institute of life insurance marketing of Southern Methodist University. Superintendent Page was speaker at the luncheon.

"There are many today who complain that our rate of growth is too slow and that we are being outstripped by Russia. If this is true, the way to achieve a faster rate of growth on a sound basis under a free market economy is to obtain a higher rate of private saving and capital formation," Mr. O'Leary said.

Business Activity

Discussing the trend of general business activity, Mr. O'Leary said, "I would not be surprised to see an expansion in GNP to an annual rate as high as \$580 billion or even higher by the fourth quarter of next year, compared with a \$500 billion rate in the first quarter of this year and an estimated \$526 billion rate in the third quarter."

Among the reasons cited as the basis for such a rise were the sharp rise in federal spending for defense, foreign aid, and welfare purposes, the continuing increase in the rate of ac-

cumulation of business inventories, increased purchases of consumer goods, and greater spending for plant and equipment.

"It is difficult to see how renewed inflationary pressures can be avoided in the next several months," Mr. O'Leary said. "As the months go by, the renewal of these pressures may force the monetary authorities to move to a policy of general credit restraint. There is, however, a danger that the government will push expansionary fiscal and monetary policies to the point of provoking renewed inflationary pressures and may then take the course of holding the lid on the general price level by means of the imposition of selective credit and direct price controls."

As to long-term interest rates, Mr. O'Leary predicted that there will be an upward movement in 1962 based on rising capital demands.

Program chairman for the annual meeting was Frank P. Samford Jr., president of Liberty National Life.

Standard Security Sold \$60 Million In 16-Month Period

NEW YORK—Standard Security Life of New York has paid for more than \$60 million of life insurance in the 16 months ended Sept. 30. This is the period during which the company has been on the agency basis. More than \$40 million of the total was paid for during the first nine months of 1961.

President Michael Levy said term insurance represents the largest portion of the total insurance in force of \$60,011,647 on Sept. 30, being \$49,938,619. Of this amount \$18,616,078 was reinsured. Group in force was \$5,657,000, of which \$2,523,947 was reinsured. Of the \$4,416,628 whole life, \$641,992 was reinsured.

Since opening its agency department in May, 1960, it has licensed 2,200 agents and brokers.

Continental-National Tops Out Building



Continental-National group topped out its new \$18 million, 24-story office building last week. Participating in ceremonies marking the placement of the final steel beam were, from left: Secretary of State Charles F. Carpenter; Edwin H. Forkel, president Continental Casualty; State Treasurer Francis S. Lorenz; Mayor R. J. Daley of Chicago; Howard C. Reeder, president Continental Assurance, and Roy Tuchbreiter, chairman Continental Assurance and Continental Casualty.

Topping out ceremonies were held last week for Chicago's newest office building, the 24-story structure erected by the Continental-National group at the southeast corner of Wabash Avenue and Jackson Boulevard.

On hand to observe the final steel beam being placed into position were Mayor Daley and other city officials and officers of the insurance companies, the architectural, engineering, steel and building firms. The American

flag going up with the steel beam has been flown over the U. S. Capitol and was forwarded to Chicago by the office of the Capitol architects.

The new 24-story, \$18 million building is joined floor-to-floor to the Continental companies' present home office at the corner of Michigan Avenue and Jackson Boulevard.

Exposed Structural Steel

The new building uses exposed structural steel, a new development in skyscraper construction. The steel columns and connecting exterior spans are sheathed in a continuously welded $\frac{3}{8}$ inch thick steel plate. This exterior, to be painted charcoal gray, will be in sharp contrast to the stainless steel frames and special tinted glass of the windows.

The building is the first large-span structure in Chicago, with 42-foot width between main steel columns. It is scheduled for completion by the fall of 1962.

Why not the Top Drawer?

OPPORTUNITIES COME IN ALL SIZES! There's one to fit every ambition when you know which drawer to open.

For example, if you possess both ambition and ability (*you're ready to build your own agency and you produce \$10,000 annually in life premiums*), you won't be satisfied with the garden variety of opportunities. You'll look in the Top Drawer under **JEFFERSON NATIONAL . . .**

. . . the company that offers the Master Money Builder, Passbook Savings, and many other great Par and Non-Par plans; PLUS the finest Non-Can A & S, a highly competitive Group portfolio; PLUS **Top Commissions, Bonuses, Office Expense Allowances, Vested Lifetime Renewals, Pension Plans, the best Home Office support you have ever experienced . . . and more!**

Open the Top Drawer! Wire or write:

E. KIRK MCKINNEY, JR.

President

JEFFERSON NATIONAL
Life Insurance Company
INDIANAPOLIS 4, INDIANA



"TOP DRAWER" OPPORTUNITIES IN:

Arizona — Florida — Illinois
Indiana — Iowa — Kentucky
Maryland — Michigan
Minnesota — Missouri
Ohio — Pennsylvania
Tennessee — Virginia
West Virginia
Washington, D. C.

IAHU Has Record Number Of Chapters Now Being Organized

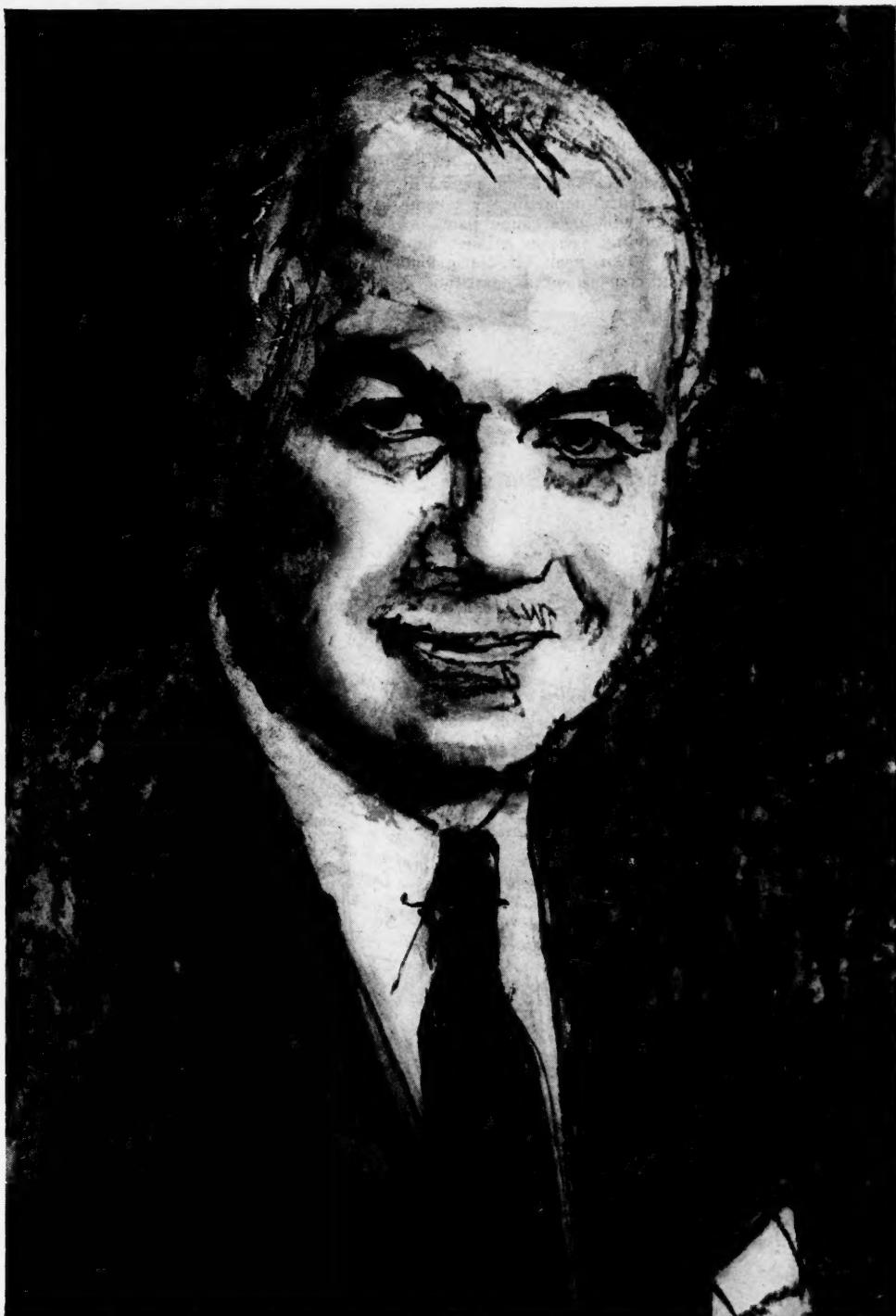
A record number of new chapters are being organized as affiliates of International Assn. of Health Underwriters.

At the association's recent board meeting in Chicago it was disclosed that work was going ahead in no fewer than 11 areas. When a minimum of 15 members are signed up, the group may be chartered by IAHU.

Target areas are Memphis, Tenn.; Nashville; Chattanooga; Tulsa; Macon; Fort Lauderdale; Polk County, Ia.; Muncie, Ind.; Kokomo; Findley, O.; and Green Bay, Wis.

The association now has 93 state and local chapters across the country. Persons desiring information on how to organize a chapter in their community should contact IAHU, 330 South Wells Street, Chicago 6.

Another distinguished client for Nationwide Group Insurance



MEET MR. ALBERT PICK, JR., distinguished client of Nationwide Group Insurance. As president of the Pick Hotels Corporation, Mr. Pick directs the complex affairs of one of America's best-managed chains, consisting of 33 hotels and motels in 30 cities. A progressive-minded company, Pick Hotels rely on America's most progressive insurance organization—Nationwide—for their group coverage. Again this year, a Nationwide group health and welfare program covers executives and employees of the growing Pick chain. Join the distinguished company of business leaders like Albert Pick, Jr. Why not check Nationwide for *your* client's group needs? Your local Nationwide group man has a variety of plans—including regular group, creditor's, association, blanket, pension and profit sharing. For full details on plans for *your* client, write: GROUP SALES, DEPT. N, NATIONWIDE INSURANCE, 246 N. HIGH ST., COLUMBUS 16, OHIO.



Nationwide Life Insurance Company • Nationwide Mutual Insurance Company • home office: Columbus, Ohio

Home Office Changes

Lincoln National Life

William D. Campbell has been named regional manager of the mortgage loan department succeeding David H. Gerig, who is retiring after 17 years with the company. Mr. Campbell will have charge of all real estate lending operations in Fort Wayne and Allen County, including residential and com-

mercial loans to private individuals and corporations.

Mr. Campbell joined the company in 1956 as supervisor in the mortgage loan department's closing section and has been supervisor of the underwriting section of that department since last year. Mr. Gerig joined the company in 1944 as assistant divisional manager

of the mortgage loan department. He was named divisional manager in 1951.

Confederation Life

Change of title has been given to C. W. Saddington, from chief accountant to comptroller, and to R. G. Stitt, from data processing executive to associate comptroller.

Promoted are M. N. Brooks, from accountant and manager of the ordinary data processing department to assistant comptroller in charge of statements and taxation; R. L. Macdonald, from accountant to assistant comptrol-

ler in charge of the cashier's department; P. D. Burns, from manager of planning to data processing executive; A. P. Cole, from supervisor to manager of ordinary data processing; William Wallace, from accountant and manager of the general ledger department to management officer in charge of auditing, and Miss M. Mudie, statement actuary and manager of government statements to consulting actuary.

Tennessee Life

David W. Erwin has been named vice-president and agencies director, succeeding Robert P. Hale, resigned.

Mr. Erwin joined the company in September as manager of one of its three Houston agencies. Before that he had been manager of the Houston branch of Travelers since 1957, and had been engaged in staff and managerial duties for Travelers in Dallas, Lubbock and Omaha since 1959.

Succeeding Mr. Erwin as agency manager will be R. N. Hogue who has been with Travelers since 1950.

Piedmont Southern Life

J. L. Kirkpatrick, actuarial vice-president, has been appointed senior vice-president.

Stanford Y. Smith, agency vice-president, has been made executive vice-president, agency. William A. Brown, associate actuary, has been named vice-president and actuary. S. Russell McGee Jr., associate vice-president, has been made vice-president and director of agencies. Robert Hugo has been given the new post of associate vice-president and director of group sales.

Massachusetts Mutual

Robert D. Gourlie, general auditor, and Edwin L. Luippold, director of electronic data processing, have been made senior officers.

Mr. Gourlie joined the company in 1929 in the auditing department. He



Robert D. Gourlie



Edwin Luippold

became assistant auditor in 1947 and general auditor in 1949.

Mr. Luippold joined the company's planning department in 1931. He was appointed assistant secretary in 1955 and director of electronic data processing in 1959.

Northwestern National

Gordon Murray has been elected a director to succeed Robert W. Anderson, who has resigned. Mr. Murray is president First National Bank of Minneapolis.

John Hancock

Arthur R. Driscoll Jr. has been made staff assistant in the corporate secretary's department. He joined the com-

If you were a prospect for life insurance or a policy-holder of New England Life, you would be interested in this conversation...

Talk about money

(A little conversation about a lot of new money for New England Life policyholders)

Thousands of New England Life policyholders will be getting a really big dividend increase in 1962.

What policies are most affected?

The great majority will share in this largest increase in the company's history. Those policies with substantial cash values will benefit the most, thus enhancing the value of a New England Life policy as a savings medium.

Why the big increase?

New England Life has had a sizable increase in its investment return. You see, the reserves in policies are invested. And the more there is to invest, the more a policyholder stands to gain in dividends.

Just how does this work out?

Policyholders' dividends vary tremendously, of course, by age and type of policy. But let's see what will happen for each of three men who bought \$10,000 policies at the age of 40. The man who has been saving with a 20-Year Endowment contract taken out in 1944 received a 1961 dividend of \$108.60; he will receive \$131.20 in 1962. The man who bought an Ordinary Life policy in 1950 received \$98.40 in 1961; he will be paid \$111.90 in 1962. Dividend changes are generally small on recently purchased policies that have not yet built up much of a reserve: for example, the man who bought Ordinary Life in 1959 received \$22.90 in 1961, and will receive \$26.60 in 1962.

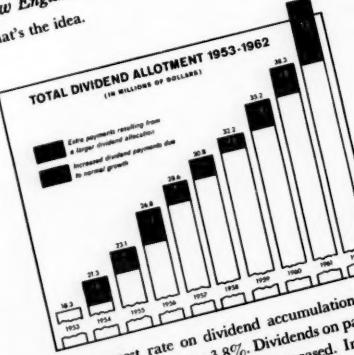
Looks fine for 1962, but how about other years?

Obviously, the adoption of this scale reflects our confidence in the future. New England Life is continuing to seek out opportunities to invest or reinvest policyholders' funds at more attractive rates.

Take a look at the chart for the past ten years and you'll see that there has been a dividend increase every year.

It's clear that you get more and more value out of cash value life insurance with New England Life.

That's the idea.



The interest rate on dividend accumulations has also been increased, to 3.8%. Dividends on paid-up additions are correspondingly increased. Incomes from policy proceeds have, in many cases, been raised.

Talk about money with a New England Life agent. You'll find convincing reasons to use New England Life insurance for both savings and protection.

NEW ENGLAND LIFE

New England Mutual Life Insurance Company: Founder of Mutual Life Insurance in America in 1835. All forms of Individual and Group Insurance, Annuities and Pensions, Group Health Coverages.

... and, as an agent, you will also be interested to know • The interest rate on money left with the company for pension trust auxiliary funds is also now 3.8% • Rates for the Term Dividend Option have been lowered • In addition to dividend gradations at \$5,000 and at \$15,000, New England Life now provides an additional gradation at \$25,000 • Premiums on annuities have been lowered and dividends raised.

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Jan. 26, Miami.

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November 11, 1961

LIFE INSURANCE EDITION

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pany as a research assistant with the accounting and auditing staff and later became head of the underwriting research division. He is interim director of emergency planning.

Lifeco Of America



Donald R. Davis

Donald R. Davis has been named to the new post of group sales manager. He had been with the Dore agency at Detroit.

American United

Norman P. Comtois, chief underwriter of health insurance, has retired after 32 years with the company. Mr. Comtois joined American United in 1929 as an underwriter. He was the senior life underwriter from 1943 to 1953. Prior to joining the company, Mr. Comtois was in the actuarial and reinsurance departments of Travelers.

Shenandoah Life

William P. Woodley has been elected a director. He is president of Columbian Peanut Co. of Norfolk, Va.

American Penn. Life, Pa.

Daniel D. Molnar has been appointed head of agency development for executive disability programs.

Southwestern Life

W. Dawson Sterling, vice-president, has been elected a director.

PERPETUAL SECURITY LIFE—Wyman X. Zachary, president and chairman, has assumed active management of the company as chief executive officer. He has been president since the company was organized in 1958.

WESTERN LIFE OF CANADA has appointed Jay Hedrick superintendent of agencies. He had been agency supervisor for Intercoast Mutual Life, Sacramento, and before that was staff manager for Prudential.

TRANS CONTINENTAL LIFE of Chicago has named J. W. Evans vice-president in charge of the credit life division. He has been with Federal Life & Casualty and Continental Casualty.

LONDON LIFE of London, Can., has named W. Bradley Granger, vice-

Conventions

Nov. 13-15, Health Insurance Assn., individual insurance forum, Sheraton Hotel, Philadelphia.

Nov. 13-15, Society of Actuaries, annual, The Greenbrier, White Sulphur Springs, W. Va.

Dec. 4-8, National Assn. of Insurance Commissioners, regular meeting, Baker & Adolphus Hotels, Dallas.

Dec. 11-12, Assn. of Life Insurance Counsel, annual, Waldorf Astoria, New York City.

Dec. 12, Institute of Life Insurance, annual, Waldorf-Astoria Hotel, New York City.

Dec. 13-14, Life Insurance Assn., annual, Waldorf-Astoria Hotel, New York City.

Dec. 27-29, American Risk & Insurance Assn., annual, New York City.

1962

Jan. 26, CLU seminar, University of Miami, Miami.

president Granger-Taylor Ltd., and vice-president Ontario Loan & Debenture Co., a director.

AMERICAN LIFE & CASUALTY has promoted Wallace C. Ralston from vice-president to executive vice-president and director to succeed Curtiss T. Olson, who has resigned.

BENEFICIAL STANDARD LIFE has elected James S. Cantlen a director. He is vice-president and general manager of Pacific Telephone.

FARMERS NEW WORLD LIFE has named Lloyd Summerhays actuarial

assistant and Daniel Steward conservation manager.

George D. Heaton has been elected vice-president and chief underwriter of **FIRST NATIONAL REINSURANCE** of Indianapolis.

DIXIE LIFE—Largent Parks Jr. has been appointed secretary-treasurer. He has been with the company since 1953.

Awarded Colorado Contract

Mutual of Omaha has been awarded the group A&S insurance contract for Colorado Medical Society. The group program will provide income protec-

tion and accidental death coverage for Colorado doctors. A spokesman for the company said the policy can be selected with monthly benefits ranging from \$100 to \$600 for disability resulting from sickness or accidents. Service will be handled on a local level through the Vincent Anderson agency, general agent for Mutual of Omaha at Denver.

State premium tax collections in the 1961 fiscal year shows a preliminary figure of \$584 million, compared to \$532 million in 1960, an increase of 9.8%, according to U.S. Census Bureau.

LIFE INSURANCE

financial foundation of family security

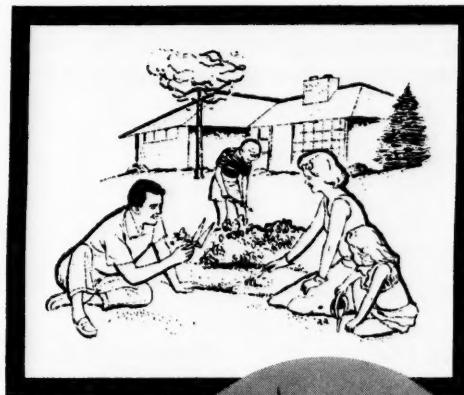
In this changing world, the keystone of our American society remains the family. At no time in history has the well-being of the family been of such paramount importance.

The ownership of adequate permanent cash value life insurance is the foundation of the American family's security.

Of all forms of savings, life insurance alone provides immediate protection for the family through the creation of a guaranteed estate as well as security for later years through a guaranteed life income, one which cannot be outlived. The Equitable Life Insurance Company of Iowa lives in both the past and in the future.

Today we will send out guaranteed monthly income checks to people on policies purchased before the turn of the century; today, too, we will insure youngsters who will receive benefits well into the century to come.

This confidence in the future, this trust in the past, is based on more than ninety-four years of financial stability.



Equitable Life
of Iowa

FOUNDED 1857 • DES MOINES

Changes In The Field

General American Life

The company has selected Chicago as the ninth metropolitan area to be



Edward H. Bart



Patrick E. Higgins

of ordinary sales of Independence Life of America, and before that was with Central Standard Life as superintendent of agencies and Ohio National Life as assistant division manager at Lansing, Mich., where he earlier had been district manager of Equitable Society. He is a CLU.

Crown Life

R. C. Taylor has been appointed district group supervisor at Denver.



John D. Walsh



R. C. Taylor

John D. Walsh has been made district group supervisor at Boston.

Hartford Life

William H. Harrison, manager at San Francisco, has been appointed regional director of sales for the Pacific department. He was a general agent at Oakland and a brokerage manager at Detroit for New England Life. He is a CLU.

Charles A. Miller, San Francisco, has been made assistant manager at Oakland. He was with New England Life for three years before joining Hartford Life.



Paul M. Hanson



Gerald B. Dewey

field operations for Mutual Trust Life.

Three general agents have been named in Chicago: Edward H. Bart, Gerald B. Dewey and Patrick E. Higgins. Mr. Bart has been in the business since 1956, most recently as a district manager for Great-West Life; Mr. Dewey has been manager of field operations for Mutual Trust Life; and Mr. Higgins has been in the business since 1953.

Security Mutual Of N.Y.

Charles P. Shriner has been appointed regional superintendent of agencies at Columbus, O. He has been with Business Men's Assurance there, having joined it in 1953. He is a division captain in the 1961 Columbus United Appeals and is a participant in the LUTC program.

Irving H. Goldstein has been named general agent at Cleveland. He has been with the agency since last year and has been in the life insurance business since 1953.

Robert E. Tebow has been appointed manager at Jacksonville, Fla. He was with Mutual Benefit Life in Birmingham 1952-58 and from then until joining Security Mutual he was manager at Gainesville, Fla., for State Life of Indiana.

Robert E. Grant has been made general agent at Ann Arbor, Mich. He has been with Equitable Society at Owosso, Mich. He is a CLU and a past president of the local life underwriters association.

Great American Life Of N.J.

Herman D. Tracey has been appointed regional field supervisor in charge of west coast development, with headquarters at Los Angeles. He has been vice-president and director

has been named a field assistant.

M. M. Murphey, formerly field assistant at Corpus Christi, has been named assistant manager there. In his new post, Mr. Murphey will assist Agency Manager Lynn Sellers. Mr. Murphey joined Southland Life's field force at Dallas.

Continental Assurance

The company has expanded its group office facilities in the west by opening two new offices on the Pacific Coast, one in Seattle and the other in San Diego.

The Seattle office will be headed by Emmett F. Beaulaurier, group district manager, who was with New York Life's group department in Seattle for seven years. Lee J. Schwabe formerly Continental's group representative at Los Angeles, is group district manager of the San Diego office.

Charles A. Duncombe has been named group regional manager at Pittsburgh. He has 10 years in the group insurance business, having served as Continental's group regional manager at Grand Rapids, Mich., for nearly five years.

United States Life

Peter Thorsell has been appointed general agent in Wethersfield, Conn. He entered the business in 1952 with Travelers. In 1959 he formed his own general lines agency in Hartford.



Peter Thorsell

Provident Life & Accident

Fred I. Wunderlick has been appointed general agent at Baltimore. He entered the business with Baltimore Life in 1935 at Altoona, Pa., later becoming agency vice-president.

a director, and a member of the executive committee. In 1959 he became executive vice-president and director of North American Equitable Life of Columbus, O.

Travelers

Robert A. Gilmour, manager at Youngstown, O., has been named



Donald G. Ford



Robert A. Gilmour

manager of the Denver group department. He joined the company in 1950 and was made assistant manager at St. Louis in 1959.

Donald G. Ford, associate manager at Oakland, Cal., has been appointed manager there. He joined the company as a field supervisor in Oakland. He is a CLU.

Occidental Of California

David A. Ashman has been named brokerage manager at the west Los Angeles office. Mr. Ashman entered the business in 1955 with Beneficial Standard there and subsequently was with Aetna Life until joining Occidental this fall.

James M. Kelly has been named regional group manager of a new office at St. Louis, where he had been group manager for Massachusetts Mutual Life.

Lorne Cade has been promoted from group sales representative to assistant regional group manager at Toronto. Leonard Bonnett, who has handled the company's California school group business, has been named senior

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group service representative at Los Angeles. Frank E. Suran has been raised from group service representative to associate regional group manager at Los Angeles.

Douglas F. Dirks has been transferred as group sales trainee from Long Beach, Cal., to Los Angeles. Richard J. Eskoff, group service representative at Chicago, has been named group sales trainee there. Frank J. Heller, who had been in the group accounting department, has been appointed group service representative at Los Angeles. Vernon R. Hill, assistant to the director of group merchandising, has been transferred to Long Beach as group sales representative. Billy D. Underhill has been shifted as group representative from Dallas to Oklahoma City.

Royal F. Dredick, assistant regional group manager at Newark, has been raised to manager there.

Also named group sales representatives were William Cronan, Denver; Jerry Davis, Detroit, and Leland Morris, home office training circuit. Other sales trainees are Robert Duzyk, Pittsburgh, and John Putt, Baltimore.

Bankers Life, Iowa

R. W. Woodward has been appointed manager at Davenport, Ia., and William Newton manager at Atlanta. Mr. Woodward, who joined the company in 1953, succeeds J. R. Martin, who was transferred to the Ottumwa, Ia., agency. Mr. Newton was formerly with National Life of Vermont and has been in the insurance business since 1955. He is a member of the Million Dollar Round Table.

Massachusetts Mutual

Robert F. McCormick, regional group pension representative at Cleve-

land, has been made regional group pension manager there. He joined the company in Cleveland in 1957.

George M. Kingsley Jr. has been made assistant to General Agent Clarence E. Pejeau at Cleveland. Mr. Kingsley was with Northwestern Mutual. He is a CLU and a member of the Million Dollar Round Table.

All American Life & Casualty



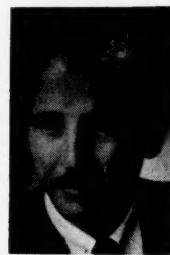
A. Vander Zwaag Jr.

Andrew Vander Zwaag has been named general agent in charge of sales and services for Greater Los Angeles. He had been a general agent of Franklin Life, and was previously an agent and district manager with that company.

James Mosher and Fred Castillo, with the company five and seven years,



Fred Castillo



James Mosher

respectively, in the Metropolis agency in Park Ridge, Ill., have opened a new office for the company in Dayton, O., and will be in charge of sales and service in the central western section of the state.

Patriot Life Of New York

Francis Mulchy has been made general agent at Randolph, Mass. He was manager for Hartford Life at Westwood, Mass., and at Boston.

Joseph W. Pesce Jr. has been ap-

pointed general agent at Danvers, Mass. He was manager of Evergreen General Lines agency at Danvers.

Marvin J. Eisenberg has been named general agent at Newark. He was an independent broker there.

Colonial Life

Harlan R. Wilson has been made assistant resident superintendent in San Diego. He entered the business with New England Life at Oklahoma City and was later named district manager at Corpus Christi, Tex. In 1959 he opened an independent agency in Dallas.



Harlan R. Wilson

Life Of Pennsylvania

William M. Reid has been appointed brokerage supervisor at Philadelphia. He has been with Prudential at Philadelphia and was brokerage supervisor there with United States Life.

American United Life



Jacob A. Stringer

Jacob A. Stringer has been appointed manager at Corpus Christi, where he had been assistant manager for Mutual of New York.

succeeding Charles Schiff, who has retired. Mr. Teichman, a CLU, joined the Stuyvesant agency in 1950, later becoming division manager at the Midtown agency.

Massachusetts Mutual

Edmund J. Lynch Jr., a group representative at St. Louis, has been appointed district group representative there. He joined the company in 1960.

Valley Forge Life

Hal L. Thompson has been named regional brokerage supervisor at Charlotte, N. C., replacing Tod Ryan who has been made regional brokerage supervisor at Dallas.

Sun Life Of Baltimore

Louis Slutsky has been appointed general agent in Wilmington. He was with Prudential there.

Kansas City Life

Harold J. Scott has been named general agent for Orange County, Cal., and surrounding territory.

Continental Assurance

The company has opened a second branch office in Chicago at 208 South La Salle Street with Elmer F. Layden Jr. as manager.

James D. Baxter was named brokerage supervisor and Carole Crail brokerage secretary of the new office. All lines will be handled: Ordinary, group, pensions and individual health.

Mr. Layden entered the business in 1957 with Connecticut General. He joined Continental Assurance last year as associate manager of the Chicago branch office. Football fans will be interested in learning that Mr. Layden is the son of Elmer Layden, one of the famed Four Horsemen of Notre Dame.

HERALD LIFE of Jacksonville, Fla., has opened its first office in Arkansas at 401 Center Street, Little Rock. William McCorkle has been named manager.

GIRARD LIFE has named Kenneth S. Sikorski manager at Dallas.

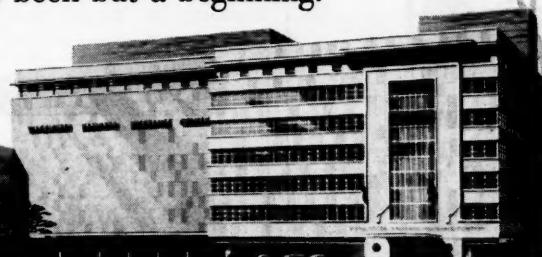
HOMESTEADERS LIFE, Des Moines, has promoted Thomas A. Callahan from general agent at San Francisco to west coast supervisor. He was formerly with Equitable Society as an agent, agency supervisor and general agent.

GOVERNMENT PERSONNEL MUTUAL has promoted Roscoe R. Staley from general agent at San Antonio to district group manager for Colorado, with headquarters at Denver.

MIDLAND MUTUAL LIFE has appointed Robert M. Tague general agent in Louisville, where he had been division manager for Prudential.

RUSHMORE MUTUAL LIFE has named Paul McKee state manager for Iowa at Waverly. He started in the business in 1941 with United Benefit Life and most recently has been agencies director for Lutheran Mutual.

Although we have engaged in providing valuable services to our policyholders for half a century, our philosophy is as modern as tomorrow. Still young in spirit, the past 50 years have been but a beginning.



We will continue to serve and satisfy our policyholders in the future as well as we have in the past.

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LIBERTY NATIONAL LIFE INSURANCE CO.

Frank P. Samford, Jr., President

HOME OFFICE: Birmingham, Ala.

Willingness To Cooperate Is Stressed

(CONTINUED FROM PAGE 1)

panies has been an extension of term insurance and an emphasis on price rather than on service or need. Look at them: large group limits, double and triple family income, increasing term riders, family maintenance and decreasing term policies, triple level-term riders, triple indemnity, family plans where the insurance on everyone but the breadwinner is term in-



John O. Todd



Philip J. Goldberg

surance, even the fifth dividend option—all term insurance.

"Yes, we must also be concerned that in the past few years the only new idea designed to bring life insurance companies more premium dollars is the variable annuity. Yet this is stalled by the fight between the giants while the mutual funds continue to reap the harvest. Maybe we can't do anything about these things, but every once in a while we ought to at least think about them. They affect our future."

"We haven't yet seen or heard the last about unauthorized practice of law or about the malpractice responsibility of the agent. We haven't yet seen or felt the real effects of direct writing without commissions, of group or pensions, of multiple line underwriting, of unlimited licensing, of unqualified agents, of dual licensing, where the agent is expected to serve two masters.

Says Odds Are Shrinking

"We haven't yet felt the effects of mutual fund competition. Mutual funds and securities organizations just have a toehold on our premium dollars and are just now building up their sales forces. We outnumber them now, 7 to 1, but the odds are shrinking."

"Yes, there are problems—or at least areas of difference. Each one affects each of us a bit differently. Some matter to us personally, some don't. To those in this room who may sell funds and securities, dual licensing is not a problem, it's a way of life. The specialist in group welcomes large

limits, the larger the better. Every argument has two sides—the one you agree with and the one that's all wrong. But there are no right or wrong answers to these problems. They are by necessity subjective and not objective. They must be evaluated carefully."

Mr. Franklin pledged the cooperation of AALU in raising the standards of life insurance selling, in helping the education of the agent, in protecting the policyholders interests and in co-operating with other organizations in the solution of problems faced by the life insurance business.

John O. Todd, Northwestern Mutual, Evanston, Ill., AALU vice-president, spoke on life insurance possibilities for substantial buyers, giving virtually the same talk that he gave at the Chicago AALU seminar earlier this year. Mr. Todd also talked briefly at the luncheon session on his feelings as to the value of AALU to its members. He recalled that he stayed on the sidelines when AALU was getting organized but later realized there was a place for such a group. When he joined he stipulated that his action would not be disclosed, as he wanted to see from the inside what the organization was doing. Among other things, he found that Leonard Silverstein of Silverstein & Sherman, AALU counsel and executive directors, "stood as high as anybody on Capitol Hill."

Mr. Todd said he knew that he himself didn't have time to act as a sentry and it was better to have someone retained for the job. But why not NALU? Because NALU must serve the broadest cross-section. NALU is broad and tremendously successful. A show of hands requested by Mr. Todd showed that easily 95% of those present are members of NALU. AALU is not in contravention or contradiction of NALU, he emphasized. The Million Dollar Round Table, he observed, is also a "tremendous" organization but part of its status is due to its refusal to take any role in influencing legislation. Also, while many members of AALU belong to MDRT, perhaps half of the MDRT won their membership not by advanced sales techniques but just by selling more business. Hence it seems that there is a place for such an organization as AALU.

Principal luncheon speaker was Mr. Silverstein, whose talk was reported in last week's issue.

The first part of the afternoon was a panel on deferred compensation, panelists being Frank Sullivan, American United Life, South Bend, Ind.,

the right combination!

Insurance, whether you buy it or sell it, is a business where the *right combination* counts.

Piedmont Southern, in the top 10% of all U.S. companies in size, offers the right combination of opportunity, sound and saleable products,

and personal security factors to attract and hold top men.



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and Alfred Howes, Connecticut Mutual, New York City.

Philip J. Goldberg, general agent here for Canada Life, predicted that five years from now life insurance sales on the charitable endowment basis will have assumed the proportions that pensions have today. This is a field in which he has pioneered.

"What person who genuinely believes in a favored charitable cause could say no to the proposition that for \$25 or \$35 or \$50 tax deductible paid out each year he can create an endowment of \$1,000 to take effect at his death?" he asked. "What charitable institution could resist such an appeal to its membership? Life insurance as a funding vehicle for charitable endowment actually makes possible immortality on the installment plan."

Gives Sophisticated Approaches

Mr. Goldberg outlined various sophisticated approaches to life insurance endowment plans, including the adaption of split dollar insurance. He reviewed the tax shelters inherent in contributions of life insurance—the income tax deduction for the premium, and the increase of the marital deduction made possible through keeping the gift includable in the donor's estate through the reservation of an incident of ownership.

"Every concept that has been basic to the sale of business life insurance applies with equal force to charitable life insurance," said Mr. Goldberg. "It is key man insurance that a charity, no less than a business, requires on its big givers and hard workers. It is tomorrow's needs funded by today's modest investment of premium dollars assuring to the charity that the dollars required for a continuing program will be available when they are needed. After all, isn't this the answer to the fading charitable dollar?"

Some 260 attended the seminar, including a large number of guests.

Executive Staff Of Franklin Life Is Realigned

(CONTINUED FROM PAGE 1)
director of public relations; and Lillian Gilster, will be director of sales promotion. Mr. Becker will continue as chief executive officer.

Since Mr. Becker assumed the presidency of Franklin, insurance in force has grown from \$175 million to nearly \$4,350,000,000; capital funds have expanded from \$39.2 million to more than \$600 million. Sales have risen to almost \$1 billion annually.

Mr. Becker said: "Our management revisions reflect expanded requirements brought about by the continued dramatic growth of Franklin and plans for even greater progress in the future. This new program will permit me to pursue more intensively the implementation of long range plans. In my considered judgment our newly constructed management team is stronger today in depth and talent than at any time in Franklin's 77 year history."

Aetna Life Leaders To Meet In June

Aetna Life has scheduled four meetings next June of its Corps of Regionnaires, the company's leading producers organization. Meetings will be held at the Monmouth Hotel, Spring Lake Beach, N.J., June 5-8; Williamsburg Inn, Williamsburg, Va., June 11-14; Hotel Del Coronado, San Diego, Cal., June 20-23, and the Broadmoor, Colorado Springs, Colo., June 27-30.

U. S. Life Presents Quality Award

United States Life's international quality award has been awarded this year to Alfredo Cohen, general agent at Guatemala City. Mr. Cohen received the award during a visit to New York following the company's international regional conference held at Montego Bay, Jamaica.

Margaret L. Sturch, Osceola, Ark., led all General American Life agents in the amount of individual life sold during September.

F. W. Floyd Wins Award From New Jersey Agents

The life underwriter of the year award has been presented by New Jersey Life Underwriters Assn. to Frederick W. Floyd, director of business, pension and group plans of Manhattan Life's Sobel agency in Philadelphia. Presenting the award was Robert Lawrence manager at Irvington, N.J., for Metropolitan Life and president of the association.

Mr. Floyd is national treasurer of American Society of CLU.

Midwest Training Men Elect

Midwestern Training Directors Assn. has elected Neil L. Rattray, director of training Lincoln National Life, president. The association, made up of representatives from six midwestern companies, is affiliated with LIAMA and provides a basic workshop for associated training and management development programs.

Zurich American Life has been licensed in three more states: Connecticut, Texas and Wisconsin.

**STILL
GOING
UPWARD**

Since its origination in 1895, Kansas City Life Insurance Company has grown rapidly. In 1910, for instance, assets were \$2,017,377. In 1960 they were \$405,817,499, an astonishing increase of 20,016%.

Kansas City Life agents have been KEY MEN in this company's philosophy since its founding and as the company grows in strength and size, so too grows the opportunities these KEY MEN receive.

Kansas City Life will continue to place an increasing amount of permanent cash value insurance, which will best serve its policyholders and at the same time adequately compensate its KEY MEN.

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Camera Views Of LIAMA Annual



Welcoming a LIAMA alumnus to the convention. W. Thomas Fiquet, vice-president ordinary agencies Colonial Life, formerly with LIAMA; S. Rains Wallace, director of research LIAMA; and John A. Miller, who was named director of managerial training for LIAMA at the Chicago meeting.



Lewis W. S. Chapman, LIAMA's company relations director and program chairman for the convention, and Robert E. Templin, director of agencies Northwestern Mutual Life.



Welcoming a past president of LIAMA: Suzanna P. Bairunas, who is celebrating her 10th anniversary with LIAMA's staff, and E. A. Frerichs, vice-president and agency director Security Mutual Life of Nebraska, LIAMA president during 1959.



Kenneth B. Skinner, vice-president and agency director Southland Life, and LIAMA's current president, and Kenneth L. Anderson, executive vice-president Research & Review Service, a speaker at the meeting.



Two LIAMA men greet the president's wife: Donald Bramley, newly appointed assistant to the managing director; Mrs. Kenneth B. Skinner, whose husband is the outgoing president; and Howard Becker, general office manager in charge of appointments for the convention.



Comparing notes are Frederic M. Peirce, president General American Life, former managing director of LIAMA, and Burkett W. Huey, the association's current managing director.

Support Of LIAMA's Work Abroad Asked

(CONTINUED FROM PAGE 1)

ney, vice-president California-Western States Life; James E. Scholefield, vice-president and agency director North American Life & Casualty of Minneapolis; Charles T. Clayton, executive vice-president Liberty National Life; and K. G. McNab, vice-president and chief agency officer Manufacturers Life of Toronto.

Discussing the part that LIAMA plays in the growth of the life insurance business, Mr. Huey mentioned first LIAMA's role as a scorekeeper.

"As we look at the volume of gross life insurance sales, we have found it increasingly necessary to relate the number of sales made, the product mix, the percentage of disposable income, purchasing power of the dollar and average premium in order to understand what we have really accomplished," he said. This year LIAMA inaugurated, with your cooperation, a new score card, the premium survey. This survey should help a great deal to correct our understanding of volume and also contribute to redefining our accomplishments and our goals."

The new central scoring procedure for the Aptitude Index is measuring up to expectations. The error rate is less than one-quarter of 1% and LIAMA aims to reduce it further. The LIAMA-LUTC consumer study, "Life Insurance in Focus," is causing reconsideration of many traditional opinions

and prejudices. Two reports have already been issued on this study and five more are to come.

On cost research, Mr. Huey said that "we sometimes think this is an area to be visited only by experts, a complicated labyrinth of forms, reports, percentages, ratios—far beyond the ken or even the interest of the average agency man."

"Perhaps we need a simpler definition," he said. "Cost research in the distribution of life insurance is really research in developing methods of measuring management's effectiveness in developing people. The aim of LIAMA's cost research program is to produce more objective measures for those areas that until now have necessarily been treated subjectively."

Turnover Still The Same

Discussing growth of manpower, Mr. Huey said that "we hear that in spite of improved selection and training, turnover is about the same as it always was."

"Though we still lose more than 50% of our recruits each year, today's turnover is far different from that of 20 years or so ago," he declared. "We have fewer marginal agents. When an agent survival table was developed 20 years ago, we found the average production of the first-year survivor to be \$60,000. Our standard today is near \$300,000. Similarly, our established agents have

kept abreast of the times in terms of volume, premiums and premiums in constant 1959 dollars. Is this a good job? From the agent's point of view perhaps yes. But from the perspective of the company, we question whether an experienced agent's new premiums production that does little more than keep pace with the changing value of the dollar is satisfactory."

Indicating that LIAMA studies show that 70% of the training and supervision given to an agent in his first three years occurs in the first year, Mr. Huey questioned whether this is a proper balance. However, he concluded that while there are still problems, "We are doing much better than we think. While our problems should not and cannot be ignored, they stem primarily from a healthy and vigorous distribution system, not from a decadent one."

The opening session was particularly interesting. "What's Hot in Ottawa and Washington?" was a discussion of current legislative activity in Canada and the United States. John Barker Jr., vice-president New England Life, was moderator, and panelists included J. N. Cunningham, vice-president and agencies director Crown Life of Toronto; Glendon E. Johnson, associate general counsel American Life Convention; Robert R. Neal, general manager Health Insurance Assn., and Eugene M. Thore, vice-president and general counsel Life Insurance Assn.

One of the subjects at this session had implicit meaning for those in at-

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tendance: Whether convention expenses can be considered tax deductible. Mr. Johnson said that only two such cases have been litigated so far, and in both cases the expenses in question were judged taxable.

Mr. Thore said agency vice-presidents should work more closely with their legal departments on this matter. Those planning conventions should avoid bad (in terms of the legal aspects of this situation) locations such as Hawaii; should avoid boat trips, side trips, and sight-seeing trips; should have photos of themselves taken not at receptions but on panels and the like; and a greater emphasis should be placed on the business aspects of the convention.

It is, Mr. Thore suggested, going to be difficult to qualify the wife's participation as a necessary business expense, especially in the case of the individual agent. Agency officer's wives, however, could qualify in view of their important social duties in connection with the meeting.

Mr. Cunningham noted that in Canada one national and one international convention is allowed per year for self-employed individuals; and there is no business deduction at all for salaried people.

Other Subjects

Other subjects under consideration were the Keogh bill (Mr. Johnson opined that its chances of passing next year are very good in its present form); the King bill (Mr. Neal described the bill as essentially the same as the Forand); SEC jurisdiction over variable annuities, and segregated funds for pension plan reserves.

At the first day's luncheon, Kenneth B. Skinner, vice-president and agency director Southland Life, and the association's outgoing president, stated that a free democratic society cannot prosper and probably cannot long exist without mechanisms such as private life insurance to implement and reward the principles of thrift and initiative.

Mr. Skinner said the industry's method of distributing life insurance—salesmanship—is a manifestation of probably the most highly developed and most instinctive trait of a free democratic society.

These points were made, he said, because one hears a good deal regarding the battle of ideologies attempting to persuade peoples in all the other parts of the world. This has been done politically—but where has private business been in this export of ideology? There has been some, not much, effort along this line. The recent Hemispheric Insurance Conference in Peru is an example.

Mr. Skinner quoted Harold F. Clark, professor Columbia University, who

has remarked that when planning for the economic development of certain Latin American countries, he would rather have 75 good life insurance men than all the monetary aid a government could pour into the underdeveloped country.

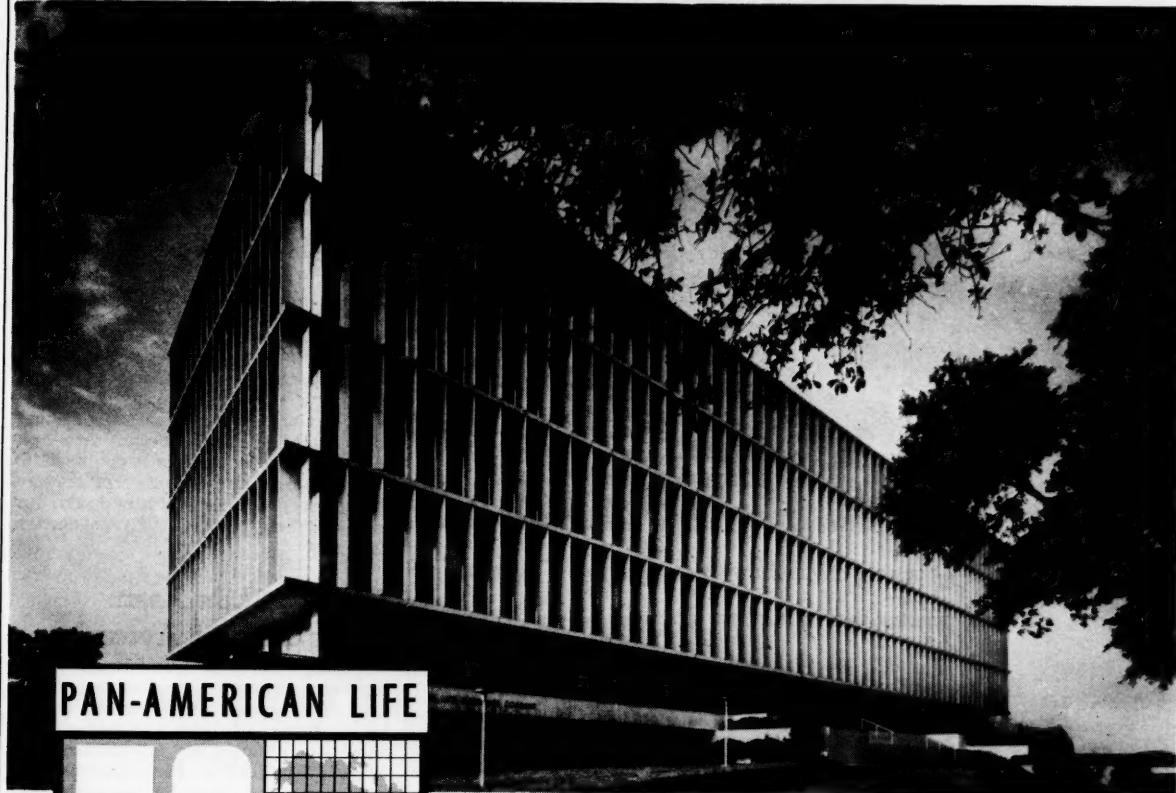
All present, Mr. Skinner said, are familiar with the increased tempo of the international activities of LIAMA in the past few years, and it is hoped all are as thrilled and derive as much sense of satisfaction in the fact as he is. It is sincerely hoped that companies will continue to give this program their attention and support.

At Thursday afternoon's general session, James F. Oates Jr., chairman Equitable Society, said the agent's sense of professional status is influenced greatly by the way in which all, individually and collectively, face with courage the problems confronting the industry.

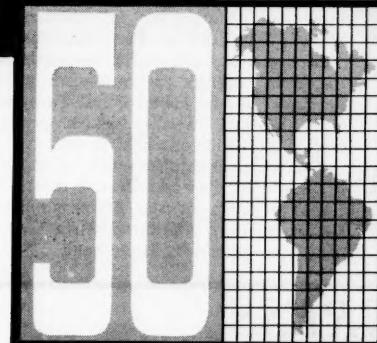
Mr. Oates said the economic waste, personal loss to policyholders, and moral implications involved in the improper replacement of old policies for new is a subject deserving the industry's most careful and thoughtful reconsideration. How can the industry enjoy adequate public confidence un-

less it strives with determination to stamp out those replacements which serve only the selfish interests of the twister?

One hears a good deal about this evasive thing termed leadership, Mr. Oates remarked. It is a lonely position; it involves attitudes, ideals, and techniques; it has its rewards and heavy responsibilities—but its eminence invariably involves the determination to excel; the willingness to pay the price; the steadfast pursuit of purpose, and, finally, pride and faith in life insurance.



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Miami, Florida
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Tallahassee, Florida
Tampa, Florida
West Palm Beach, Florida
Atlanta, Georgia
Augusta, Georgia
Columbus, Georgia
Waycross, Georgia
Chicago, Illinois
Washington, Illinois
Fort Wayne, Indiana
Indianapolis, Indiana
Muncie, Indiana
Kansas City, Kansas
Manhattan, Kansas
Wichita, Kansas
Hopkinsville, Kentucky
Lexington, Kentucky
Louisville, Kentucky
Alexandria, Louisiana
Baton Rouge, Louisiana
Lafayette, Louisiana
Lake Charles, Louisiana
Monroe, Louisiana
Natchitoches, Louisiana
New Orleans, Louisiana
Shreveport, Louisiana
Annapolis, Maryland
Silver Spring, Maryland
Jackson, Mississippi
Clayton (St. Louis), Missouri
Kansas City, Missouri
Newark, New Jersey
Trenton, New Jersey
Raleigh, North Carolina
Athena, Ohio
Canton, Ohio
Cincinnati, Ohio
Cleveland, Ohio
Columbus, Ohio
Lima, Ohio
Newark, Ohio
Toledo, Ohio
Zanesville, Ohio
Oklahoma City, Oklahoma
Tulsa, Oklahoma
Indiana, Pennsylvania
Johnstown, Pennsylvania
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Memphis, Tennessee
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Theme Of AAMGA's Spring Convention Is Announced

"Operation Advancement!" is the theme for the 36th annual convention of American Assn. of Managing General Agents at the Greenbrier Hotel, White Sulphur Springs, W. Va., May 27-30, 1962.

In keeping with the theme, nationally prominent business and insurance executives are being invited to express their ideas for advancement of the business. Another feature of the convention will be several workshop sessions in which groups of general agent members will participate. Their subjects will be pertinent to the progress of general agency operations.

Convention chairman is Harry E. Cragg, executive vice-president and manager Alfred Paull & Son, Wheeling, W. Va.

Plans for the convention were discussed at the organization's semi-annual executive committee meeting at Dallas. As has been customary for a number of years, the executive committee met with the executive committee of National Assn. of Insurance Agents at a breakfast meeting on the second day of the recent NAIA convention at Dallas. At that meeting, subjects of common interest to both general agents and local agents were discussed.

Those attending the general agents semi-annual meeting were John A. Bunting, president, San Francisco; J. H. Crowther, vice-president, Minneapolis; George W. Hardin, vice-president, Jacksonville, Fla.; Britton L. Udell, secretary-treasurer, Phoenix; members of the executive committee, Alvin Shepherd, chairman, New Orleans; Langdon C. Quin Jr., Atlanta; Aymar W. Marshall, Newark, and Reed Penington, Denver. Mr. Shepherd presided.

Old Republic Ins. Acquires A&S Insurer

Old Republic has acquired Motorist Beneficial Life of Chicago. Operations of the latter company, which have been confined to A&S, will be expanded to other casualty coverages. It will operate as a wholly owned subsidiary and its capital structure will be increased to enable the expanded operations.

Newly elected officers of Motorist Beneficial Life are James H. Jarrell, chairman; William R. Stover, president; Dee E. Miller, senior vice-president and treasurer; J. Russell Freeman and Charles S. Wilkes, vice-presidents, and F. Vernon Rosenthal, secretary. All of the new officers have filled managerial positions with Old Republic and its affiliate Old Republic Life.

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Editorial Comment

Segregated Funds Looking Up In N.Y.

An interesting problem is facing New York State's superintendent of insurance as he considers Equitable Society's proposal to allow New York companies to set up segregated accounts for pension business. In a word, segregated accounts are a state within a state; they avoid the usual laws limiting life insurance investments, but they are managed by the life company, which is legally responsible for their honest and prudent management. The basic idea in segregated funding is to allow customers of insurance companies to reach for better yields—through the dividends and capital gains of equity investments—than they could get in fixed dollar funds. The problem for the insurance department, as seen in Superintendent Thacher's tentative remarks before the Condon committee, is how to allow New York companies to get back in the stream of competition with the trust companies without abandoning, in that "state within a state," the traditional controls of the department.

Unlike so many other problems before the life insurance industry which have the ring of theory about them, the segregated funding question is an acute one for New York State. Two other states, Massachusetts and Connecticut, now have laws on the books permitting it. And the loss of pension business by the insurance companies is a daily reality. Insured plans had 80% of the pension business in 1950 and 45% of the business last year.

Equitable Society people feel that the prohibition of equities in pension funds should be a matter of public policy, applied to all financial institutions, or no policy at all. Pension funding, they feel, is the same no matter who manages the funds. The feeling is that the chances are good now for some kind of reasonable law. This feeling comes from the tone of the testimony before the Condon committee—where company representatives virtually ignored the main question of the day, which was the allied Connecticut General situation, to back Equitable President James F. Oates

Jr.'s proposal on segregated funds.

But more important than the industry's approval was Superintendent Thacher's criticism of the Oates proposal. Mr. Thacher said he would go along with some kind of legislation if appropriate safeguards could be framed. That, he said, was a big if. Yet Equitable people feel that most of the points mentioned would be included in any pension contract as a matter of course. These points were omitted from the Oates proposal to make it mesh as well as possible with the existing Connecticut and Massachusetts laws. Inclusion or omission of many of these points in the law are, they feel, largely a matter of legislative philosophy. In the interests of simplicity, safeguards can be introduced in other ways.

However that may be, Mr. Thacher posed the following questions:

—What is to prevent the account from being a medium of acquiring control of other business? Equitable people would not object to any reasonable limitations in this regard. They would in any case have imposed limitations on themselves.

—What about the liability for losses or other deficiencies in the separate account? Naturally, Equitable says, the entire financial power of the company would back the fund in case of gross malfeasance on the part of the fund's management.

—Who is to decide whether an attractive investment should go into the segregated account or into the general portfolio? Insurance people, have had long experience in dealing equitably with conflicting financial interests. In any case, an Equitable spokesman told THE NATIONAL UNDERWRITER, this question gets pretty far into the realm of theory.

—What about the transfer of assets between separate accounts, the matter of variable annuities, and the rights of the employer with respect to termination and withdrawal in such accounts? In these questions Equitable people are a little mystified by the superintendent's meaning, but the feeling was that these points could be worked out

without changing the intent of the Oates proposal.

Does Equitable's fight for segregated accounts ally or involve them with the proponents of variable annuities? Equitable spokesmen point out that there is a real difference between these two ideas. The risk of the segregated trust fund, with its absence of guaranteed interest and principal, falls on the employer rather than the employee. The employer sees the segregated fund as an opportunity to get a better return on the money with which he has undertaken, perhaps guaranteed, to pay fixed amounts at a later date. After all, he already takes several risks in his turnover and mortality assumptions as soon as he takes the supplementary fund route. And the employer does not have to be sold on variable or fixed dollars; he usually knows what he wants.

In any case it is now up to the superintendent to read the transcript of the hearing, study his mail and his law, and come up with a model law of his own to cover his reservations on the Oates proposal.—J.H.

the name of the company was again changed to United Security Life.

EDWARD A. LABRY, 61, retired district manager of Metropolitan Life at Pine Bluff, Ark., died in Mobile, Ala., after a long illness. He had been district manager at Shreveport La., and president of Shreveport Life Underwriters Assn.

Mrs. EDNA WOOTTON FORTUNE of Greensboro, N. C., died at Durham, N. C. She was the mother of Mrs. Howard Holderness, whose husband is president of Jefferson Standard Life.

Stocks

By H. W. Cornelius of Bacon, Whipple & Co., 135 S. LaSalle Street, Chicago, Nov. 7, 1961

Bid Asked

	\$	\$
Aetna Life	153	157
American General	78	78
Beneficial Standard	46 1/2	48
Business Men's Assurance	92	95
Cal-Western States	99	102
Commonwealth Life	58 1/2	60
Connecticut General	314	318
Continental Assurance	189	194
Franklin Life	126	128
Great Southern Life	125	130
Gulf Life	39	41
Jefferson Standard	89	91
Liberty National Life	92	95
Life & Casualty	33	34 1/2
Life Of Virginia	119	123
Lincoln National Life	165	170
National L. & A.	218	224
North American, Ill.	25	26
Ohio State Life	54	56 1/2
Old Line Life	170	180
Old Republic Life	19	20
Republic National Life	84 1/2	87
Southland Life	178	184
Southwestern Life	135	140
Travelers	160	165
United, Ill.	60	63
U. S. Life	89	83
Washington National	64	68
Wisconsin National Life	55	60

Personals

Vincent P. Manno, vice-president of Modern Life & Accident, has received a distinguished service award from Illinois Good Government Institute for his service on its board for a number of years.

Kenneth W. Perry, vice-president of Massachusetts Mutual, has been named chairman of the 1962 Greater Springfield (Mass.) United Fund-Red Cross campaign.

Deaths

LAURENCE M. PEET 66, former president of Farmers Life of Des Moines died in Des Moines of a kidney ailment. He started with Farmers Union Mutual in 1933 and in 1942 became president. The name of the company was changed to Farmers Life in 1945 and Mr. Peet continued as president until his retirement in 1958 when

III Revises Booklet On Insurance Careers

The booklet, *A Career For You In Insurance*, has been revised and published by Insurance Information Institute. It points out that the tremendous growth of the insurance business has created many more jobs for qualified personnel.

Detailing the growth of property and casualty lines, it explains how career opportunities open up readily to those who pursue their insurance education. It also describes the various positions, possibilities for advancement and qualities needed for success in each.

Copies of the publication are available from III, 60 John Street, New York 38, N. Y.

IAHU Holds 28 Seminars

International Assn. of Health Underwriters is holding 28 seminars throughout the country to instruct top officials of state and local affiliates in leadership techniques. A core of moderators comprised of the association's officers and senior directors is conducting the meetings.

A new official procedure manual, speakers roster and publicity guide are being introduced. The meetings started late in October and will conclude in mid-November.

Piedmont Southern Life Shows Good Gains In Paid Business And Surplus

Piedmont Southern Life of Atlanta, the combination life insurance and holding company, has had a 32% increase in new paid business for the first nine months. Assets are up 21% to \$50 million. Capital and surplus stand at \$27.7 million, up 12%.

THE NATIONAL UNDERWRITER

The National Weekly Newspaper
of Life and A&S Insurance



Published by
The National Underwriter Co.

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17 John St., New York 38, N. Y.
Tel. BEEKMAN 3-2958 TWX NY 1-3080

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Application Forms For 1962 MDRT Are In Members' Hands

Application forms and instructions for the 1962 Million Dollar Round



Lester A. Rosen

Table have been sent to members and prospective members along with the first letter from the new chairman, Lester A. Rosen, Union Central Life, Memphis.

The instructions emphasize that the MDRT volume credit record form, used for the first

time for the 1961 Round Table, is for optional use by re-qualifying applicants but is mandatory for first-time applicants and must be forwarded with certifying letters to the home offices. Home offices, in turn, are asked to forward the volume credit record form of first-time applicants to MDRT headquarters along with the completed certifying letter.

The executive, nominating and program committees are currently meeting at Montreal, where the 1962 annual meeting will be held July 15-19 at the Queen Elizabeth Hotel. MDRT Vice-chairman Daniel H. Coakley, New York Life, Boston, heads the program committee. Immediate Past Chairman Robert S. Albritton, Provident Mutual Life, Los Angeles, is the nominating committee chairman. While the nominating committee's main purpose in meeting is to select nominees for the 1963 executive committee and three directors for the MDRT Foundation, they will also assist the program committee as ex-officio members.

Plan Consolidation Of Ohio State Life And Columbus Mutual

(CONTINUED FROM PAGE 1)

State Life to determine how the company could comply with the 1958 ruling which held that the Columbus Mutual surplus belongs to the policyholders rather than the stockholders.

The primary request in Mr. Clark's action is to bring into court the proposal of the independent actuary hired by Ohio State Life so that the court can pass on it. The actuary's plan reportedly recommends:

—Reinsurance of all Columbus Mutual policies by Ohio State Life and assumption by Ohio State Life of all liabilities of Columbus Mutual by assumption certificates to guarantee payment of all policy benefits of Columbus Mutual by Ohio State Life.

—Transfer of assets of Columbus Mutual, less \$1 million to Ohio State Life as a fund to be held, managed, and distributed to Columbus Mutual policyholders, this to be referred to as the "Columbus Mutual Fund."

—Commingle assets of Columbus Mutual and Ohio State Life but segregate the Columbus Mutual Fund by internal accounting.

—Establish the surplus of Columbus Mutual on the books of Ohio State Life as a liability owed by Ohio State Life to Columbus Mutual policyholders.

—Credit Columbus Mutual Fund with all earnings thereof, including premiums and investment income, and debit such fund with an equitable portion of operating expenses (not to in-

clude expenses incurred by Ohio State Life in acquisition of new business to be written in the future by Ohio State Life).

—Equitably allocate and distribute the Columbus Mutual Fund as future accretions to Columbus Mutual policyholders by paying therefrom all policy benefits and paying dividends to Columbus Mutual policyholders from year to year and as terminal dividends. Columbus Mutual Fund would retain only such surplus as would not exceed approximately 10% of total liabilities of that fund, and pay out additional surplus from year to year as dividends to policyholders.

—Liquidate Columbus Mutual and distribute the \$1 million remaining as assets to its stockholders at the rate of \$200 a share to retire their stock.

—Dissolve Columbus Mutual.

Use Combined Agency Forces

—Operate Ohio State Life with the combined agency forces of Ohio State Life and Columbus Mutual and with the employees of both companies, anticipating substantial economies in such operations and increased investment income, among other benefits.

Mr. Clark says this proposal will provide benefits for Columbus Mutual policyholders that cannot be obtained by them in any other manner, and the proposal should be submitted to the court for consideration. If the proposal is not submitted, Mr. Clark would like an order from the federal court requiring retirement of Columbus Mutual stock at \$200 a share and a mutualization of the company.

Mr. Clark's action also refers to a plan which was reportedly nearly consummated last summer to sell Columbus Mutual to Union Central Life for \$13 million, contingent upon the merger of Columbus Mutual into Union Central. Mr. Clark said the directors of both companies agreed to the plan, but it was opposed by Mr. Clark and his group and was not consummated after consultation between attorneys.

New England Life's Dividend Scale Boost Company's Biggest Yet

New England Life's directors have voted a dividend scale increase and to set aside more than \$44 million for dividend distribution to individual policyholders in 1962, 16% more than was distributed in 1961. The dividend scale increase, the largest in company history, will result in added dividend payments of \$5 million, while larger amounts of insurance in force will account for \$1,250,000 of the greater distribution.

A major share of the added amount distributed because of the dividend scale increase will be applied to policies that emphasize savings, including retirement income and endowments and to older policies.

New England Life has also increased from 3.65% to 3.8% the interest rate on dividend accumulations and boosted dividends on money left with the company for payment under annuity and installment settlement options. In addition, the company has reduced premiums on the term dividend option, increased dividends and reduced premiums on annuities and established an additional size gradation step, with higher dividends on policies of \$25,000 and over issued since 1957.

Midland National reports submitted business of more than \$9 million in October, exceeding the same month last year by 39%.

LIFE INSURANCE EDITION

Comments On The Insurance Field From The Investment Dealer's Chair

By LEVERING CARTWRIGHT

Cartwright, Valleau & Co., Board of Trade Building, Chicago

Minus signs were all but non-existent in the insurance stock list last week. Buying was aggressive in all directions. Sellers were not making concessions and the tone was strong. The public, now alerted to the power in the insurance stocks, apparently was switching to these from industrials—reinvesting year-end loss-taking proceeds.

There may have been a brief hesitation in the fire-casualty issues when hurricane Hattie was making up, but as soon as it became plain that the U. S. was to be spared, the lid went off these issues. Underwriting experience seems to be comforting, for the moment at least, so that many companies now may be able to break even or better for the year, or at least suffer underwriting deficits that are tolerable, considering Carla. Thus prospects for stock dividends or increases in the cash distribution are brighter. As the year draws to a close earnings estimates for the life companies become more dependable and these may exceed expectations.

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Assuming that the market for American Re-Insurance holds, stockholders of Inter-Ocean Reinsurance would be receiving the equivalent of about \$140 per share under the program for the New York company to acquire the Iowa institution. Stock of Inter-Ocean has been rarely available. The quoted bid market has been in the range of 62. At 140 the total share valuation of Inter-Ocean is \$17,500,000. At Dec. 30, 1960 capital-surplus of Inter-Ocean was \$9,800,000 and the premium reserve was \$10,737,000. The market on American Re dropped off slightly to 70 bid on the announcement. It had gone up 5 points previously. The proposal is for American to pay a 10% stock dividend and then give 2.2 shares of its stock for each Inter-Ocean share.

This announcement centered attention on the reinsurers. General Reinsurance, which has been a luminary this year, went up 2 points to 182 and Employers Re was a point or so better at 72. Northeastern Insurance, the reinsurance company that grew out of the old U.S. branch of Rossia of Petrograd in the Czarist days, also moved up 2 points to 22 bid after recent weakness.

Inter-Ocean is a story of a promotion, avariciously conceived, smartly rescued and profitably and honorably developed. A man calling himself Duncan in 1919 gathered up some \$2 million (less 15 or 20% for "expenses") in the promotion of National Bonding & Casualty Co. He had been operating an Iowa mutual company, but had been fired when he was caught rigging. Iowa was then ripe for promoters, as the farmers were flushed with wartime prosperity and Cedar Rapids was especially good because it had been the mule market of the world, with the beasts commanding as much as \$600 a head from the British government.

After completing the sale of National Bonding stock Duncan's shady past in Minnesota was discovered and he was sent on his way. Responsibility fell on Ralph Van Vechten, head of the bank at Cedar Rapids (brother of author Carl and later president of the State Bank of Chicago). He got a physician, Dr. Richard Lord, who had put \$50,000 into National Bonding, to become president, and Raymond T. Smith, now vice-president of the A.M. Best Co., and

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president of Life Insurance Investors, was instrumental in causing Roy Curay, then chief examiner, and Karl Blaise, then assistant chief examiner of the Iowa insurance department, to become attached to the company and it was Smith also who suggested that they go into the fire reinsurance business. Dr. Lord turned out to be a close student, he traveled extensively in Europe and developed authority as a reinsurance man. Curay and Blaise each had a turn as president later.

Speaking of Ray Smith, there has just come out an attractive 26 page study entitled "Life Insurance Stocks—An Attractive Investment for Growth-Minded Investors." This is the work largely of Mr. Smith, assisted by Robert Walstrum, former advertising manager of the Continental Companies and now a consultant in public relations and advertising. This is a responsible, intelligent, and timely statement of the situation and it has initially been received with enthusiasm.

— || | —

Plus signs included Aetna Life 3 1/2, Aetna Fire 3, B. M. A. 3, Conn. General 15, Employers group 1 1/2, Federal 1, Fireman's Fund 1 1/2, Franklin Life 125 (back to its all time high), Great American 2, Hartford 2, Jefferson Standard Life 2 (after a 7 point decline from a fast advance), Lincoln National 3, Mass. Protective 5, National Union 1, Northern Insurance 1 1/2, Reliance 4, St. Paul, (which didn't give an inch during the Carla scare) 3 1/2, Travelers 1 1/2, U. S. F. & G. 3.

Boston Insurance which has been gyrating amidst rumors of purposeful accumulation of stock, dropped back 3 and U. S. Life was off as much.

Employers National Life, which was launched this year as a subsidiary of Employers Casualty (Texas Employers Insurance Assn.) was discovered and went up 5 points to 37. Surety Life of Salt Lake City, which is hitting it off well in its liaison with Hamilton Fund was 4 higher at 33 bid.

Old Line Life kept soaring and was 155 bid. United Benefit Life—a special situation that has been in high demand—added 60 points to 1400 bid.

Eastern Life soared 9 points more to 135, Fidelity Bankers was more than 2 points higher at 19 3/4. Hartford Steam Boiler added 3, at 130, Life of Virginia was 2 better at 114, National Life & Accident went up 10 to 211, Security of New Haven was up 2 and Security Life & Trust 1. Southwest Life posted a 6 point gain, while Republic National Life lost 5. Continental Assurance gained attention again and was plus 6.

— || | —

Going back to the insurance stock quotations as of Oct. 3, we find that the shares of some 50 life companies have doubled or better since Dec. 30, 1960. Eastern Life had the most spectacular runup, this being 345%. Then came Citizens Life 227%; third was "Benny", Beneficial Standard Life 200%. United Services Life was fourth 193%; then Commonwealth Life 180, Government Employees Life, 172, was sixth, followed by Republic National Life, 165. Security Life & Accident, with 160% increase, was eighth, then B. M. A. 150, while Interstate Life & Accident, 146, was tenth.

Others that doubled or more are: Southwestern Life 145, American General 144, Occidental Life (N. C.) 143, American National 141, Great American Life Underwriters 140, Continental American 139, Combined and U. S. Life 138, Bankers National 136, Old Line Life 134, All-American Life

& Casualty, Jefferson Standard and Liberty National 132, Lamar 130, Franklin 124, Cal-Western States 122, Liberty Life 120, Am. Heritage 112, Gulf Life and Nw National Life 111, College Life 104, Midwestern United 103, and the following precisely 100: Fidelity Bankers, Life & Casualty, Life of Georgia, Life of Virginia, Mass. Indemnity, Monumental, National Old Line, Pacific National, Postal and Provident L. & A.

In the fire-casualty list the Oscar goes to Am. Fidelity & Casualty, with an advance of 125%. Then comes Interstate Fire & Casualty 110, Citizens Casualty 100, Mission, Reserve and U. S. F. & G. 70, Am. Re-Insurance 66, Northeastern 63, General America and Security 57, Fidelity & Deposit 54, Farmers Underwriters Assn., General Reinsurance, Hartford Fire, Insuranshares Certificates and

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Blue Ridge Mutual Fund increased its holdings in Transamerica from 11,000 to 13,000 shares. Investors Mutual Inc., invested in 20,300 shares of Transamerica preferred. Mass. Life Fund went up from 3,000 to 5,000 shares in Aetna Life and cut back North America from 6,000 to 3,000. Pine Street Fund added as a new investment 3,000 shares of Aetna Fire and eliminated its holdings of 4,666 Employers Reinsurance, 3,000 Hartford Fire, and 2,000 Travelers. Selected American Shares increased its Aetna Life from 3,000 to 5,000. Dividend Shares added 9,000 shares of Transamerica and now owns 10,000. Dreyfus Fund bought 10,000 shares of Hanover as a new commitment. Broad Street Investing Corp., increased its Maryland Casualty from 30,000 to 55,000 shares. United Funds eliminated its investment in 24,200 shares of Home, and went up on Travelers from 25,000 to 29,000. State Street Investment Corp. reduced its Fireman's Fund from 42,500 to 35,500.

The Commercial & Financial Chronicle Nov. 2 deals with Fireman's Fund. At the then price of 66 this was selling at a discount of 12% from June 30 liquidating value and at 15.7 times estimated investment income for 1961. Underwriting profits are unlikely for this year and adjusted earnings may be about \$2. Until 1956 underwriting results compared with the best. Then 1957 struck and Fireman's Fund was doubly affected because of the problem of integrating National Surety into its operations. But in 1959 and 1960 underwriting again was profitable. Fireman's Fund has a well-balanced book of business with no line accounting for more than 20% of the total.

The market value of the insurance investments of Princeton University at June 30, 1961 were \$14,683,063 while the book value was \$5,987,388. These comprise 10,013 Continental Casualty, 37,303 Federal, 18,841 Hartford, 4,917 North America, 1,550 Pacific, and 10,000 Seaboard Surety, along with 5,443 Aetna Life, 6,044 Conn. General, 5,743 Continental Assurance, 3,250 Crown Life, 3,475 Great-West Life, 9,500 Lincoln National, 3,000 National Life & Accident, 3,400 Provident Life & Accident, 3,993 Southwestern Life, and 6,335 Travelers.

NW Mutual Life Has Good Three-Quarters

Northwestern Mutual Life had a 29.3% increase in new investments during the first three-quarters of 1961 compared with the same period in 1960. The fastest growing investment field was mortgage loans, with a net increase of \$40 million during the period in question.

Total loans on policies climbed from \$219.4 million at this time in 1960 to \$245.2 million. However, the amount of new policy loans for the first nine months of 1961 was 18.7% lower than for the same months in 1960.

Sales in the first nine months reached \$4.32 billion, up 4% from last year. Total income for the period rose from the 1960 figure of \$446.4 million to \$477.7 million. Dividends paid to policyholders totaled \$68.4 million, a 7.5% increase over the first three

quarters of 1960. The total paid to policyholders and beneficiaries during the period was up to \$226.3 million, a 7% rise from the same period in 1960.

Insurance in force reached \$10.77 12 months. The average size of new policies written in the first nine months was \$11,700, compared with \$11,697 in 1960. The average size of all policies in force is \$6,415, compared with \$6,174 a year ago.

Standard Security Life of New York has been licensed in Georgia and Virginia.

Bankers Life Of Ia. Has Good Month, Record Total

New business of Bankers Life of Iowa for September reached \$52,821,826. Of this amount, \$18,506,847 was ordinary and \$34,314,979 group. For the first nine months of the year, new business totaled \$351,729,660. Of this total, \$208,243,983 was ordinary and \$143,485,677 group.

Total life in force reached a new high of \$3,895,162,713, with ordinary totaling \$2,148,217,430 and group \$1,746,945,283.

National Of Vt. Paid-For Gains 21% In Nine Months

National Life of Vermont's new insurance paid for in the first nine months was \$296,821,030, an increase of almost 21%. Annualized premiums gained almost 17% in the three quarters to reach \$8,765,378.

Leading agencies for the period were Atlanta, New York-Hodes, Chicago, New York-Arden, New York-Newman, New Canaan, Conn., Manchester, N.H., Cleveland, Philadelphia and Baltimore.

Mr. Agency Builder: STRIKE IT RICH!

FOR YOU

Well-balanced General Agent's Contract providing liberal overwriting and liberal expense allowance.

PLUS

Friendly, effective Home Office assistance to help you in your Recruiting, Training, and Agency Building Program.

AGENCY-BUILDING OPPORTUNITIES in:
Alabama, Arizona, California, Delaware, Florida, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Texas, Virginia, Washington, D.C., and West Virginia.

COLUMBUS MUTUAL
Life Insurance Company
Columbus 16, Ohio
Frederick E. Jones, President **Fred C. Adams, Sup't. of Agents**

COLUMBUS MUTUAL'S
Agent's Contract
Induction Program
Sales Packages

YOUR AGENCY

YOUR FUTURE FORTUNE

WANT ADS

Rates—\$25 per inch per insertion—1 inch minimum—sold in units of half-inches. Limit—40 words per inch. Deadline 4 P.M. Friday of week before publication in Chicago office—175 W. Jackson Blvd. Individuals placing "Situation Wanted" ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER—LIFE EDITION

ASSISTANT METHODS DIRECTOR

A progressive midwestern mutual life company has an unusual opportunity for a man to succeed the Methods Director who will retire within two years. The Company which has over one billion of insurance in force, has been primarily an ordinary company but in recent years has entered the group life field and the individual health insurance line. The Company celebrated its 50th anniversary in 1960 and this year moved into a new home office building.

This position requires a man not over 50 years of age with a college education plus 10 to 15 years of experience in methods and planning work. Ingenuity, creative thinking, familiarity with E.D.P., and maturity of judgment are important requisites. Salary commensurate with experience. Write giving complete personal and work experience to: B-76, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

SALARY PLUS BONUS

ACCIDENT & SICKNESS STATE MANAGER WANTED FOR COLORADO

Individual selected must have had successful selling experience as an agent or recruiting experience as a General Agent or Supervisor in an established General Agency and be capable of recruiting, directing and motivating agents in A&S production.

For the right man, we are prepared to finance this operation 100%, including the production of DIRECT MAIL LEADS.

Give a comprehensive and detailed report about yourself when answering. All replies will be treated with strict confidence. Write B-86, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

WANTED SUPERINTENDENT OF AGENCIES NORTHWEST

A top producer who knows how to recruit, train and supervise general agents. By one of the most progressive, fastest growing life insurance companies in America. Complete policy portfolio. Backed by 40 year old parent corporation with assets of \$540 million. Home Office Los Angeles.

Prefer present resident of Oregon or Washington state. Age 30 to 45. At least 6 years of life insurance experience, part in sales management.

Salary commensurate with experience. Profit sharing, retirement and insurance plans, car and expenses.

Send resume in confidence to:

WAYNE J. HERRING, CLU
Vice President and Director of Sales
PACIFIC FIDELITY LIFE
INSURANCE COMPANY

675 South Westmoreland Avenue
Los Angeles 5, California

AVAILABLE

For Southern Regional Direction of Agencies. Experienced in establishment and supervision of branch offices, general agencies, brokerage outlets. Write B-93, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

ACTUARY

for consulting firm in East. Give background, experience, salary desired. Membership, if any, in Actuarial Societies. All replies confidential. Write B-97, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

ACCOUNTANT

A growing Western Company has need for a young man who is familiar with Life Insurance accounting and the annual statement—who is seeking an opportunity for advancement—to head up its Accounting Department. Should have some knowledge of IBM procedure. Need not know IBM machine operations. This Company just moved into a beautiful, new home office building. Retirement, sick leave, and insurance benefits. Write B-91, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

Mass. Mutual Board Meets At General Agency In N.Y. City

NEW YORK—For the first time in its history, Massachusetts Mutual's board of directors met in one of its general agencies—the Harry C. Cope-land agency at New York, the company's largest in the city.

President Leland J. Kalmbach said the directors decided to meet in New York because of their keen interest in the field operations and their desire to see, at first hand, the operation of a general agency office.

In his report on the first three quarters of the year, Mr. Kalmbach said indications are that the company is headed for the third consecutive billion-dollar ordinary sales year and its 12th consecutive all-time production record. Combined sales of individual and group policies during the first nine months exceeded \$912 million, up 2.7%. Individual policy sales amounted to \$764 million, up 1.2%. Group was \$147 million, up 11%. Total insurance in force is nearing the \$9 billion mark, and now stands at \$8.8 billion, made up of \$7.2 billion individual insurance and \$1.6 billion group.

New investments totaling \$200 million were made in the first nine months. The average gross rate on new money invested in bonds, mortgages, stocks and real estate was 6.16% as against 5.99% on \$150 million in the same period of 1960. The average gross rate on \$134 million of new bond and stock investments was 6.05%. Mortgage loans totaling \$62½ million were made at an average rate of 6.39% as against 6.05%.

Mr. Kalmbach said he expected the general economy to continue to undergo a period of brisk recovery, with conditions favorable to further growth of life companies.

ASSISTANT ACTUARY

Expanding Midwest Life and Health Company has excellent opportunity for young man with degree in Actuarial Science. Must possess faculties for leadership in this field. Salary commensurate with experience and ability. Send complete resume. Box 573, Kansas City, Missouri.

HOME OFFICE GROUP SALES OPPORTUNITY

Upper Midwest multiple line life company with over one billion dollars insurance in force has outstanding offer and unlimited opportunity for a qualified young man in the group life and group sickness and accident sales and service field.

Exceptional opportunity for growth and development. Salary commensurate with experience and progress.

Full welfare and fringe benefits. Submit complete personal resume, including education, marital status and experience. All replies will be held in strictest confidence. Write B-82, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

TOP TALENT AVAILABLE

Now successful top executive, Life Company, national experience. Can build company from zero or rebuild. Proven ability to build great sales organization plus Home Office administration. Must have tenure and equity. Write B-94, National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Conn. Mutual's Mental Health Film In Press Preview

"You Are Not Alone," a 27-minute film dramatizing the effects of tension and anxiety on the life of a business executive passed over for promotion, has been produced for Connecticut Mutual.



Leland J. Kalmbach

Charles J. Zimmerman, president of the company, speaking at a press preview in New York, said the film is aimed at a problem that "may cost business as much as \$3 billion a year."

The film tells the story of Ed Simpson, starting on the day his boss decides that Simpson doesn't have enough creativity to be head of the new human relations department. Simpson thereupon displays great impatience and exasperation in his dealings with his secretary, his son and his wife. In subsequent executive meetings he is listless, mentally absent, and confused. His energies have been used up by worry.

Tide Turns

Key to his problem is the fact that Simpson cannot communicate his actual feelings to others. Nor can he understand the feelings of others. The tide turns when he consults his doctor about stomach pains. Since there is nothing physically wrong with him, the doctor explores his family and job situation, advises him that his stomach is giving him a valuable warning that he is emotionally upset. The remaining minutes of the film show Simpson reentering the world, accepting his limitations and regaining health.

After the dramatic presentation, Mr. Zimmerman and Dr. Robert Turboer, Connecticut Mutual's consulting psychiatrist, discuss the company's mental health campaign and the problem of emotional tension. Dr. Turboer says that we have a right to our emotions, but that feelings can become dangerous when they isolate people from others.

"The key to the film is that you can go to another human being and get help," he says.

The film uses a terse style of language, closeups showing faces at tense moments, and the nervous accompaniment of a small woodwind group. The dialogue is by turns furious, hesitant and curt.

The film avoids psychiatric language and spotlights the kind of problem that can be solved by friends, general practitioners and common sense. Producer of the film is Himan Brown, of New York. The director was Barry K. Brown.

Manford Replaces Strain On Tex. Board

Gov. Daniel of Texas has appointed Durwood Manford, an attorney of Smiley, to the state board of insurance to replace Robert W. Strain who resigned in August to join National Assn. of Insurance Agents.

Mr. Manford is a former speaker of the Texas house and is now chairman of the state board of water engineers. He served on the industrial accident board and is a former chairman of the state board for hospitals and special schools.

Mr. Manford was sworn in Nov. 10. Chairman Thomas C. Ferguson of the Texas board has announced that he will resign in January to become candidate for election to the court of civil appeals at Austin.

Insurers Need Lead Urban Redevelopment

Insurance companies are one type of business enterprise that has a major stake in downtown redevelopment, Gladden W. Baker, chairman of the finance committee of Travelers, told International Downtown Executives Assn. at its meeting in New Orleans. Mr. Baker is also chairman of Constitution Plaza, a 12-acre, \$35 million redevelopment project in downtown Hartford being financed by the Travelers group.

Can't Abandon Downtown

Despite the so-called explosion of the suburbs, business and industry cannot abandon downtown, he said. All too many cities are bogged down in internal warfare between business organizations, government, and citizens. Urban renewal can never flourish in such an atmosphere. Any major business concern with an economic interest in downtown must become a factor in urban renewal. Insurers are one type of business with strong roots in downtown areas of hundreds of America's cities.

Insurance companies must be able to attract and keep large numbers of highly trained, specialized people, Mr. Baker said. They must also be able to maintain close working relationships with financial and other service organizations. In recent years, needs of insurers have multiplied with the rapid expansion of their business.

Good Investment

Travelers, he said, considered Constitution Plaza not only a good investment but a matter of civic necessity to make certain that renewal in Hartford would not fail. Though the plaza will not provide additional office space for Travelers, it will be the site of the new home office of Phoenix Mutual Life, which originally planned

to locate in a suburb till research revealed that while the initial cost of building downtown is perhaps more, over 20 years the cumulative net cost will be less.

Mr. Baker cited a number of insurers over the U. S. that are constructing or have constructed, new buildings downtown—Equitable Assurance's Gateway Center in Pittsburgh, Mutual Benefit Life in downtown Newark, Travelers in downtown Boston, Prudential in Back Bay, Boston, Lincoln National Life in Fort Wayne, Franklin Life in Springfield, Ill., and several in downtown New York.

As cities learn how to make renewal projects attractive to developers and outside investors, there will be increased insurance company participation, Mr. Baker predicted.

Views Entry Of Fire Companies Into Life

The entrance of fire-casualty companies into the life field should "raise the water-level of usage," John Phelan, vice president American States, Indianapolis, told members of that city's General Agents and Managers Assn. at a recent meeting. "After all, someone has to serve the 'small-fry' with life insurance," he declared. "Our market is the \$15,000 a year income on down."

Mr. Phelan stressed that the fire-casualty company going into life will "support the institution." "We have too much to lose in the way of clientele for our other lines to offer gimmick merchandise sold on a high-pressure basis. We must offer merchandise that competes with the best in the business and follow practices that are above reproach, or the agent through whom we sell won't touch our life line. He has no intention of jeopardizing his fire-casualty accounts for 'one lousy little life sale,' as he sees it."

Mr. Phelan declared that while the life company looks for a relatively small number of big producers, the fire-casualty company looks for a large number of small producers. Moreover, whereas the life company looks for salesmen, the majority of fire-casualty agents aren't salesmen and don't want to be. "They consider themselves retailers running an insurance store to which people come to buy if they want coverage."

No Emotional Problem

He said that one cannot sell life without believing in it. Many men are highly successful selling fire-casualty insurance without "believing in it" in the same sense. "There is no great, human emotional problem when a building burns down. The fire-casualty man doesn't say, when a fire occurs, 'What a tragedy, there was inadequate insurance.' His reaction is more likely to be, 'Thank God, we weren't on that one.'"

In the life business an eventual loss is inevitable. In the fire-casualty business, the insurer is not likely to admit the inevitability that the insured will have a fire, auto accident, or the like. All these differences in fundamental attitude are problems the fire-casualty company going into life must meet and solve, Mr. Phelan said.

Turning to the competitive aspects of fire-casualty companies in the life business, he pointed out that such companies tend to serve the smaller prospect and those in areas where it is not profitable to maintain a full-time life man. "There will be some competition between us," he admitted. "In general, when the insurable situ-

ation is complex, the life man will get the case; where it is simple, we're more likely to."

"We do not fear the life company entering the fire-casualty field," he said. Life is a fixed-rate business in which the primary problem is sales. Fire-casualty is an unbelievably complex business where the problem is far more rating and underwriting than sales."

Sees Mich. Blue Shield In 'Healthy' Condition

Despite earlier claims to the Michigan department that a considerably larger rate increase than the one granted was necessary, Michigan Medical Service (Blue Shield) is now in a "healthy" financial condition according to Sumner G. Whittier, executive director of the service.

Mr. Whittier addressing the Kalamazoo Academy of Medicine during the past week, boasted that "we expect to wipe out last year's deficit completely and be building up reserves within a few weeks. Current rates should hold for some time to come if the use of medical services

holds to a past pattern of a 5 to 7% increase each year."

New cures, new discoveries, new medicines and new techniques, he said have saved or prolonged thousands of lives, but have established a pattern of ever rising costs. He said that continually widened coverage of the aged by the Blues nevertheless has failed to solve problems for many elderly persons because of steadily mounting costs. If the virtually miraculous results of research and study "raise the price of medical care so high that it is not available to the citizens. . . . then we have failed in our mission."

Mr. Whittier expressed confidence that "the private sector of our economy, with individual enterprise and individual dedication, can find better solutions than can remote, impersonalized government."

Sentence Ex-Head Of Life Company

A. L. Homewood, former president of Francis Marion Life of South Carolina, has been sentenced to one year in prison, after having been found guilty of misrepresenting company stock sales.

NOW RENEWAL GUARANTY CORPORATION ANNOUNCES 4 NEW EXCLUSIVE BENEFITS ON RENEWAL COMMISSION LOANS

1. Long term repayment plan
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A General Agent or agent can easily convert his Vested renewal commissions to cash now. Loans from \$2,000 to \$100,000. We are presently doing business with over 80 U. S. Life Insurance Companies in 45 states and two foreign countries. During the past 9 years, this corporation has loaned over ten million dollars to the Life Insurance Fraternity. We assist life underwriters to become even more successful.

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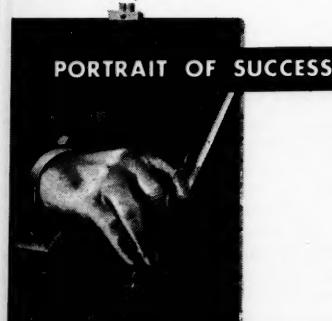
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makes the personal call. He believes his clients are interested in only two things: What insurance will do for them and how much money they can put in the contract. And everyone that hears him, whether he buys or not, receives a letter of appreciation written in long hand. More than anything else, he believes that it is not people, not service, not faith alone that spells success, but that a life agent must have a genuine goal and the determination to reach it by hard work and determination.

Wind-up speaker was the dynamic Arthur H. Motley, president and publisher of Parade Publication, whose main premise is "that nothing happens they have a good product and no until somebody sells something." And selling is not just getting a person to buy something. It is bringing him news, he said. As a case in point, he mentioned that after he had purchased \$200,000 worth of life insurance, he decided that he didn't want any more.

In five years time, he turned down countless insurance men until one agent brought the news to him that in his financial situation he did not have enough cash to take care of estate and inheritance taxes. The end result of this news was the sale of a policy on Mr. Motley for \$250,000 of additional insurance.

The greatest problem as salesmen is "to make sure the news we have gets through to the people who need it," he said. "Many people selling products think the people they call on know all about it. Nine-tenths of them don't. News is powerful! News sells!"

Have Good Product

Mr. Motley, who at one time was president of the U.S. Chamber of Commerce, told the insurance men that they have a good product and no industry has more greatly improved its public offering. It has changed with the times, he declared, "but not too many people know the marvelous job of keeping up you are doing."

He suggested, however, that the insurance people should perhaps give a little thought to creating a climate of confidence, of optimism. "You can't sell peanuts at a funeral. The climate in which a sale takes place is important. No one likes to believe he is being a sucker, the only person buying your product or proposition. They like to feel they are doing what a lot of other smart, successful people do."

The traditional CLU breakfast preceding the sales congress had as speaker Robert E. Hunt, probate judge of Peoria County, who discussed practical aspects of estate administration. The breakfast was sponsored by Central Illinois CLU chapter, with William Maibach Jr., Connecticut Mutual, Peoria, a director of the chapter, presiding.

Judge Hunt spoke briefly on the proper preparation of a will, noting that one of the immediate practical problems in planning an estate is who is going to look after it. When a couple is in say their early 30s, the young wife is usually the executor, but, as time goes on, she may become incapable of conserving or even hand-

ling the estate on the death of the husband. He advised his listeners to go back to some of their old clients and check over their estates. Perhaps the widow would not need the money, and, if so, arrangements should be made so that the estate passes on to another generation. He suggested a possible change in the settlement options and perhaps the renaming of beneficiaries to avoid tax consequences.

Vital Importance

He also explained what happens to a business on the death of one of the principals and said it is one of the duties of a good insurance man to remind his clients that a buy and sell agreement in writing is of vital importance. This, of course, must be funded in some way, insurance being one of the best.

Another extremely important phase of the insurance agent's activities is the service he can offer a widow when his client dies. She may need advice on how to handle the insurance money through various options instead of taking it in a lump sum. "You have no idea how the policyholder counts on you after his death," he said.

Vending Machine Promotion

National Vended Ski Ins. Corp. of New York has filed a statement with SEC seeking registration of 550,000 shares of common stock, to be offered for public sale on an all or none basis by Pacific Coast Securities Co.

The company was organized under Delaware law in July to distribute its coin-operated VIA vending machines to selected insurance brokers for installation principally at ski recreation areas, winter ski resorts, water ski marinas, and in sporting goods stores. The company has an arrangement with Security Life & Accident of Denver to write the ski accident policies.

The company has outstanding 45,000 shares of common stock, of which C. Minot Dole, president, and eight other management officials own 11.11% each. Management officials have been issued five year options to purchase an aggregate of 135,000 shares for initial organizational services rendered to the company, exercisable at from \$1 to \$1.20 per share. Like options covering 30,000 shares have also been issued to Edward R. Bunting, president of Pacific Coast Securities.



Norman F. Hodkins, regional group manager of Pan-American Life at New Orleans, receives the president's plaque for the leading group producer in the company's president's month sales campaign. Making the presentation is John Y. Ruddock, Pan-American's president.

WHITE, WINSTON SEMINAR:

Brokers Hear Moore And Griffin On Pension Plans

The combination pension plan—a mixture of an insured plan and an auxiliary fund—has been over-emphasized, over-advertised and overplayed, according to Charles P. Moore, actuarial pension consultant of United States Life. Mr. Moore and Richard T. Griffin, agency pension consultant, spoke at a seminar for brokers conducted by White & Winston, general agency of United States Life at New York.

Mr. Moore told brokers, that, ideally, the combination plan costs about 10% less than the fully insured one. This saving is based, however, on higher interest assumptions in the auxiliary plan than that guaranteed by a life insurance company, and it also involves the use of ordinary life rather than retirement income policies.

In going for the combination plan companies are overlooking the vital

importance of the increased pre-retirement death benefit that retirement income policies provide.

"But don't try to chase the prospect away from the idea of creating an auxiliary stock fund if the program is large enough to make equity investment practical," Mr. Moore said. "In the case of the smaller fund, however, broker's and trustee's fees can eat up a lot of the profits."

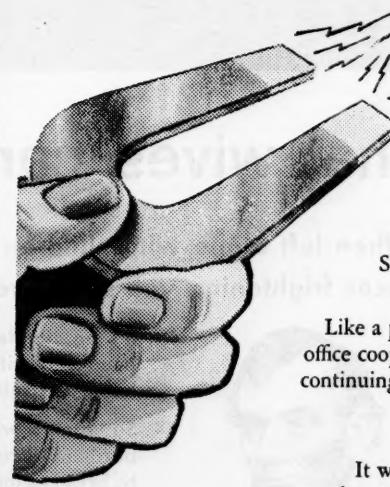
Mr. Griffin told brokers that they should try to sell a pension plan in two interviews. In the first, the vital aim is to get employee and payroll data. During the second, the sale should be made.

The speaker pointed out that in spite of the tremendous growth of insured pension plans in recent years, there are only 64,000 of them today, while there are about one million small businesses in the country.

Maryland Life Agents Have Bermuda Vacation

A group of 70 qualifying Maryland Life agents had a four-day holiday in Bermuda. The vacationists stayed at the Castle Harbour Hotel.

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find the needle
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POWERFUL MAGNET

AND IT'S EASY for personal producing General Agents to find in SUN LIFE the opportunities they seek for growth and success.

Like a powerful magnet, SUN LIFE'S home office cooperation and individualized service is continuing to draw ambitious life underwriters into its large and growing family of successful General Agents.

It will pay you to look into the numerous advantages of THE SUN LIFE PLAN FOR GENERAL AGENTS.

Write today or just pin this page to your letterhead for a prompt reply. Your inquiry held in confidence.

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What wives can learn from widows . . .

**When left alone with children to raise, a widow
faces frightening years of hardship and struggle.**



It's no simple matter, even for a husband and wife *together*, to maintain a home and raise a family.

So when a wife is left with this entire burden, it's really staggering. She must be breadwinner as well as loving parent and homemaker. Often her life becomes a discouraging, work-till-you-drop existence that goes on and on and on. There's no relief . . . no freedom from

the worries, fears and nameless anxieties that beset a woman striving to manage alone. Worst of all, the *children* sense all this, and feel insecure.

Hardships like these point out, above all else, the importance of adequate insurance on the husband's life. For life insurance can ease a widow's struggles . . . keep her with her children . . . provide comfort and security. Your nearby Lincoln Life agent is an expert at the kind of insurance planning that makes such security possible. Phone or write him soon.

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